Alberta Seniors

Annual Report
2014-15

Alberta
Government

This report was prepared on behalf of the Ministry by the Department of Seniors.

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta contains consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On September 15, 2014, the government announced new ministry structures. The 2014-15 ministry annual reports and financial statements have been prepared based on the new ministry structure. The Ministry of Seniors is composed of programs formerly in the ministries of Health and Municipal Affairs.

This annual report of the Ministry of Seniors contains the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the Ministry, including the Department of Seniors and provincial agencies for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Management Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Message from the Minister of Seniors

The Ministry of Seniors is responsible for the well-being and quality of life of Alberta seniors and those in need of housing. The ministry is responsible for the creation of affordable housing options for Albertans most in need and helping Alberta's aging population lead healthy and independent lives. The following report highlights results achieved by the Ministry of Seniors in the 2014-15 fiscal year.

The Ministry of Seniors advocates for programs and services that benefit seniors, and brings together all housing related programs within the government of Alberta.

An aging population will have profound and lasting economic and social implications for our province. Alberta's growing economy has also led to higher housing costs that make it difficult for low-income Albertans to access appropriate housing. The Ministry of Seniors provides leadership to government in developing policies and programs that support our growing population of seniors, as well as Albertans who require our help to have safe, secure and affordable housing.

I look forward to working with my colleagues, department staff and other stakeholders to ensure that the priorities of Albertans are first and foremost. As a government we will support the programs and services Albertans need and depend on. We are committed to working together to solve challenges and to seek new opportunities as we continue to build this great province.

[Original signed by]

Honourable Sarah Hoffman
Minister of Seniors

Management's Responsibility for Reporting

The executives within the ministry have the primary responsibility and accountability for the ministry and department. Collectively, the executives ensure the ministry and department complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements rests with the Minister of Seniors. Under the direction of the Minister, I oversee the preparation of the ministry's financial statements. The financial statements, of necessity, include amounts that are based on estimates and judgement. The financial statements are prepared in accordance with Canadian public sector accounting standards.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and
- properly recorded so as to maintain accountability of public money;
- safeguard the assets and properties of the province under corporation administration; and
- provide Executive Council, the President of Treasury Board, the Minister of Finance and the Minister of Seniors information needed to fulfil their responsibilities.
- Facilitate preparation of ministry annual reports required under the *Fiscal Management Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives within the ministry.

[original signed by]

Ernie Hui
Deputy Minister of Seniors
June 1, 2015

Results Analysis

i. Ministry Overview

The Ministry of Seniors was established on September 15, 2014, midway through fiscal year 2014-15. The new ministry is responsible for the creation of affordable housing options for Albertans in need and for helping Alberta's aging population lead healthy and independent lives.

The Ministry includes three divisions, Housing, Seniors Services, and Strategic Services, as well as the Seniors' Advocate and the Alberta Social Housing Corporation (ASHC). Ministry-wide support is provided by Human Resources and Communications branches and the Strategic Services Division.

The Ministry's Housing and Seniors Services divisions deliver a number of distinct programs to meet the needs of their clients. Administering these programs together in one ministry creates opportunities for government to better integrate and align its policies and services for seniors and Albertans in need of affordable housing options.

Ministry Key Program Areas

Housing

The Ministry of Seniors is responsible for supportive living, social housing and affordable housing in Alberta. Much of this work is done through ongoing relationships with 108 Housing Management Bodies (HMBs) that operate housing programs for the Ministry throughout the province.

The Alberta Social Housing Corporation owns and supports a portfolio of 36,000 housing units managed and operated by HMBs. These housing units have a replacement value of $7 billion. The ASHC also partners with over 300 municipalities, non-profit, and private for-profit housing providers to ensure Albertans have access to appropriate affordable housing and housing supports.

In addition, the Ministry provides funding for supportive living initiatives. During the 2014-2015 year, government provided support for 65,000 households, aiding approximately 100,000 low income and vulnerable Albertans. Total operating funding provided to existing programs amounted to $231 million.

Housing Programs and Activities — Operating Programs

Rent Supplement Programs

These programs provide financial assistance to HMBs under the Rent Supplement Regulation of the *Alberta Housing Act* to assist households in need to obtain and maintain affordable and suitable rental accommodation.

Community Housing Program
This program provides subsidized rental housing through HMBs for low and moderate-income individuals and families.

Seniors' Self-Contained Housing Program
This program provides apartment-type accommodation through HMBs to low and moderate-income seniors who are functionally independent.

Seniors Lodge Program
The lodge program provides supportive housing services through HMBs, including three meals per day, weekly housecleaning, recreation opportunities and 24-hour staff onsite to functionally independent seniors

Special Needs Housing
The Ministry works with the federal government to provide funding to HMBs and non-profit organizations for special needs housing such as group homes for persons with disabilities. This housing may include support services for residents with similar physical, social, and emotional conditions or disabilities, victims of family violence and wards of the provincial government.

Southern Alberta Flood Recovery
The provincial government continues to work on the aftermath of two recent natural disasters, the 2013 flooding in southern Alberta and the 2011 wildfire in the Slave Lake area. Over 450 properties were damaged or destroyed in the 2011 wildfire, and more than 15,000 homes were reported damaged in the 2013 flooding. Following these catastrophes, government collaborated with individuals, private industry and municipal and federal governments to ensure that all residents of the affected areas have safe and affordable housing. Activities included the provision of emergency housing, interim housing and support for long-term recovery.

As recovery and redevelopment efforts continue, interim solutions have also served to meet long-term needs. For example, 125 manufactured housing units utilized in the Slave Lake fire recovery were moved to southern Alberta to assist those who were impacted by the flood. In 2014-15, the Housing Division facilitated the Siksika Nation's purchase of 114 of these units to assist in meeting its ongoing housing needs.

Capital Initiatives

Affordable Housing

This program provides capital grants for the development of housing units where the owner guarantees to rent at least 10 percent lower than market rates for up to 20 years. In 2007, the provincial Affordable Housing Task Force traveled throughout Alberta to determine housing need and priorities at the local level. The Task Force's recommendations resulted in a $1.135 billion investment of federal and provincial money to support the development of nearly 12,000 affordable housing units.

Capital Supportive Living Programs

Since 1999 when the capital grant funding programs commenced, the province has committed $833 million in funding to develop or improve more than 13,000 supportive living spaces across the province. The grant funding agreements for all projects require the operator to maintain rent for these funded units at the rate set by the government for long-term care units for 30 years.

The Affordable Supportive Living Initiative (ASLI), the most recent capital grant funding program, commenced in 2007-2008. The program provides funding to develop long-term care and affordable supportive living spaces in the province. Along with home care and long-term care, supportive living is a part of the spectrum of continuing care in Alberta.

Seniors Services

Alberta is currently home to about half a million people over age 65 – approximately 12 percent of Alberta's population. Every day the number of seniors in Alberta increases by roughly 60 people. According to current projections there will be approximately one million seniors in Alberta by 2030.

A number of ministry programs are offered to assist Alberta's seniors in their daily lives, including the Alberta Seniors Benefit, Special Needs Assistance and the Seniors Property Tax Deferral Program, all of which provide direct financial assistance to seniors in need. To ensure Alberta's seniors are aware of any benefits for which they may be eligible, the Ministry sends all Albertans an information and application package a few months before they turn 65.

Alberta Seniors Benefit (ASB)

ASB is an income-based program targeted to helping lower-income seniors. This monthly financial benefit supplements the federal government's Old Age Security and Guaranteed Income Supplement programs. Currently, about 150,000 seniors in Alberta receive ASB.

Special Needs Assistance (SNA)

SNA is a bundled approach to assisting seniors that is unique to Alberta. This program provides lower-income seniors with financial assistance for some of the costs of appliances, minor home repairs and a range of health and personal supports.

Seniors Property Tax Deferral (SPTD)
Launched in May 2013, SPTD is a voluntary program that allows seniors to defer all or part of their property taxes through a low-interest home equity loan from the Alberta government. Government pays the property taxes on the senior's behalf, and the senior repays the loan, at low interest, when the home is sold or anytime before that if they wish. The program frees up money that the seniors would have used for their property taxes for other expenses and helps them to remain in their homes and communities for as long as possible.

Seniors' Advocate
Established in April 2014, the Alberta Seniors' Advocate provides information to seniors and their families on issues related to government-funded programs, supports and services. The Advocate also advises government on issues seniors and their families are facing. Since April 2014, more than 400 requests for information and assistance regarding seniors-related issues have been addressed by the Seniors' Advocate.

Seniors Advisory Council for Alberta
Created under the *Seniors Advisory Council for Alberta Act*, the Council is a government-appointed body. The Council consults with seniors, their families, caregivers, and service providers in communities across the province, and provides advice to government on issues that impact seniors.

The Council provides an annual report on its activities to the Minister of Seniors who tables the report in the legislative assembly. The report tabled in June 2014 included recommendations related to drug coverage, access to seniors' services and information, filling seniors program advisor positions in the Calgary area, a specific seniors care centre, and age-friendly communities.

Engagement with Seniors, Stakeholders and Communities
Since the Ministry of Seniors was created in September 2014, a number of meetings have taken place with seniors and stakeholder organizations to hear their ideas and concerns and share information about the Ministry's priorities. In addition, as part of their ongoing work, members of the Seniors Advisory Council for Alberta have met with seniors, service providers and community organizations to gain further insights and perspectives on issues and concerns that are important to seniors.

An important component of the Ministry's commitment to engaging with seniors continues to be Seniors' Week, held in the first full week of June each year to celebrate seniors and their contributions to the province. In June 2014, hundreds of events took place in communities throughout Alberta, including barbeques, dances, information fairs, pancake breakfasts, and many others. More than 40 communities registered their events on the Ministry website, and 29 municipalities showed their support for local seniors by officially proclaiming Seniors' Week.

The annual Minister's Seniors Service Awards recognize Albertans who volunteer their time to make a difference in the lives of seniors. Fifty-four nominations were received in 2014, and eight outstanding individuals and organizations then received awards at a ceremony on June 4, 2014.

Seniors also recognizes communities that are age friendly and promote healthy and active aging through the Age Friendly Alberta Recognition Program. This program began in 2012 and in June 2013 Strathcona County was awarded the first ever Age Friendly Alberta Community award. In May 2014, the City of Edmonton was the recipient of the Age Friendly Community award for its efforts to create a long-term vision to promote an age friendly community that values, respects and actively supports the safety, diversity and well-being of seniors.

ii. Performance Measures Summary Table

Goals/Performance Measure		Prior Years' Results		Target	Current Actual
1.	Albertans most in need have access to housing options.				
1.a	Facility condition rating				
	■ Percentage in good condition	39.6% 2012-13	33% 2013-14	40% 2014-15	Data not available 2014-15
	■ Percentage in fair condition	55.5% 2012-13	62% 2013-14	55% 2014-15	Data not available 2014-15
	■ Percentage in poor condition	4.9% 2012-13	5% 2013-14	5% 2014-15	Data not available 2014-15
2.	Albertans have improved health as a result of protecting and promoting wellness and supporting independence.				
3.	Albertans have enhanced access to high quality, appropriate, cost effective health care and support services.				

Note: For more detailed information on methodology see section iii. Discussion and Analysis of Results

iii. Discussion and Analysis of Results

The Ministry of Seniors was created in fall 2014, midway through the fiscal year. Consequently, Seniors did not develop a 2014-2017 business plan. However, the Ministry's Housing and Seniors Services divisions were represented in the 2014-2017 business plans for the Ministries of Municipal Affairs and Health. The relevant performance measure and priority initiatives from those business plans are discussed here.

GOAL: Albertans most in need have access to housing options.[1]

(From Municipal Affairs' 2014-2017 Business Plan.)

Performance Measure: Facilities Condition[2]

Performance Measure	Prior Years' Results		Current Year	Target
1.a. Housing facilities condition rating				
▪ Percentage in good condition	39.6% 2012-13	33% 2013-14	Data not yet reported. 2014-15	40% 2014-15
▪ Percentage in fair condition	55.5% 2012-13	62% 2013-14	Data not yet reported. 2014-15	55% 2014-15
▪ Percentage in poor condition	4.9% 2012-13	5% 2013-14	Data not yet reported. 2014-15	5% 2014-15

Methodology

The Facilities Condition performance measure illustrates the condition of housing assets represented as the percentage of housing stock assessed that has been categorized as "good," "fair" or "poor". In order to arrive at these numbers, a rating of the condition of a housing asset is established through an assessment of government owned and/or supported housing (excluding rent supplement assistance.) The assessed condition is then combined with values for deferred maintenance cost and inflation to create a Facility

1 This measure is from the Ministry of Municipal Affairs 2014-17 Business Plan. Responsibility for this goal was transferred to the Ministry of Seniors on September 15, 2014.

2 The methodology of this measure has evolved over the course of the five-year cycle, as actuals for 2013-2014 and the results for 2014-2015 (when they become available) also include seniors lodges as part of the facilities rated.

Condition Index (FCI) percentage value. The FCI is the ratio of repair to replacement costs (i.e. cost to correct current and future physical condition deficiencies, relative to current facility replacement values). This method of calculating the condition of housing assets is an industry standard and is used in other provincial jurisdictions in order to measure overall condition of government owned facilities.

Assessments are conducted over multi-year cycles, with approximately one-fifth of the housing units assessed and their condition rated each year. The condition ratings from current year assessments are combined with those of previous years towards a cumulative total.

Once the first cycle of assessments is completed, approximately 80 percent of condition ratings will be based on prior year facility assessments, as the results for any facilities that have been reassessed in each new cycle will replace the results from a former cycle.

The percentages for each category in the measure are calculated by taking the square metres of all facilities in good, fair or poor condition and dividing each by the total area of all audited. If a facility has been constructed or completely refurbished within the last 10 years, and has not been assessed, it is rated as "good."

Data Source

Alberta Seniors provides Infrastructure with an inventory listing of all housing facilities to be assessed and Infrastructure completes the assessments and calculations to assign value for facility condition and sends a full report back to Seniors.

Analysis of Results

The Ministry of Infrastructure began its assessment of housing facilities in 2009. Sixty-eight percent of assessment results (approximately 1,880 facilities) were available for the 2012-2013 reporting period and approximately 82 percent of the facility assessment results (roughly 2,250 facilities) were available for the 2013-2014 reporting period. The remaining 18 percent of assessment results are required to complete a five-year cycle of reporting.

Determining targets and reporting on an annual basis is challenging when gathering data in a five-year cycle. The facility condition reporting for both the 2014-2015 round and for the entire five-year cycle will not be available until later in 2015 as the final round of assessments are not yet complete. When the assessment cycle is complete, the condition of the entire stock of housing facilities will be calculated.

In addition, the results data reported for the 2013-2014 fiscal year is not measured against a target, as one was not set when this performance measure was established. Once all facilities have been assessed and reported, it is anticipated that proportions of facilities that fall into the "good", "fair" and "poor" index categories will stabilize, and targets can be more accurately determined.

This ongoing assessment allows Alberta Seniors to plan where to allocate resources to address maintenance and revitalization issues, as well as to determine how many units are available for residency each year. Positive changes in the measure show the impact of ministry investments in the revitalization, renewal, and/or replacement of government supported housing.

Priority Initiatives

GOAL: Albertans most in need have access to housing options.[3]

(From Municipal Affairs' 2014-2017 Business Plan.)

In 2014-2015 the Ministry undertook the following investments and activities to meet the goal of ensuring access to housing options for Albertans most in need:

- 852 affordable housing units were completed and occupied.
- Rent Supplement programs provided approximately $66 million for 11,000 housing units, serving 20,000 Albertans.
- The Community Housing program provided $77 million in operating assistance to HMBs, benefiting 35,000 Albertans in 11,000 community housing units.
- Alberta Seniors provided $5 million to non-profit organizations to operate special needs housing for persons with disabilities, housing 2,000 Albertans in over 1,000 units.

1.1 Develop disaster housing response and recovery strategies, in addition to mitigation options for government-owned and supported housing.

Valuable lessons that were learned from the Slave Lake wildfire in 2011 and the southern Alberta floods in 2013 are being used to develop a provincial Disaster Housing Strategy. The Strategy will ensure Alberta can move quickly to meet people's needs whenever a disaster of such magnitude occurs.

Work continues on rebuilding the Siksika and Stoney Nakoda First Nations communities. Over 4,300 First Nations people in these areas were impacted by the flood. In June 2014, $345 million was approved to be applied to inspections, repairs, rebuilds, relocations, and emergency and interim housing over five years.[4] An additional $8 million was provided for services and the training of First Nations residents to help with the rebuild, with over 100 members working on flood recovery rebuilding at year end.

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3 This goal and the following initiatives are from the Ministry of Municipal Affairs 2014-17 Business Plan. Responsibility for this goal was transferred to Alberta Seniors on September 15, 2014.

4 Although this work was undertaken by Alberta Seniors, the costs were recovered from Municipal Affairs and Aboriginal Relations.

Alberta Seniors is leading most of the remaining rebuilding work and has been transitioning those still needing housing into permanent housing options. Many of the manufactured home units purchased by government throughout this process have since been redeployed in First Nations communities or put to use in Northland School Division.

1.2 Strengthen relationships with municipalities and local housing management bodies to improve government-supported housing options.

Throughout the last year, the Ministry worked with each of Alberta's 108 HMBs to build closer relationships and achieve a number of operational efficiencies. In particular, Seniors partnered with the HMBs to implement new, standardized business plan processes. All 108 HMBs now submit updated three-year business plans as required under the *Alberta Housing Act*. This was a key component in determining investment priorities for the Health and Safety Upgrades, Housing Renewal and the ASLI program.

Other initiatives included redeveloping the operational review process for HMBs and non-profit social housing operators. The Ministry worked with individual HMBs to support them in partnering and consolidating operations to cut costs and improve capacity. A joint stakeholder working committee was struck to provide recommendations in resolving issues and improving communications.

1.3 Implement a long-term real estate strategy that includes renewal and/or replacement of government-supported housing, supported with financing strategies through the Alberta Social Housing Corporation.

The Ministry continued to implement its 5-year Social Housing and Seniors Lodge Regeneration and Renewal Plan to 2017. This included upgrading fire and safety systems in government-owned or supported seniors housing facilities; renovating or rebuilding seniors' lodges and social housing facilities in communities across the province through Rural and Urban Housing Renewal; and maintaining the social housing portfolio through priority capital repairs and upgrades. These initiatives were targeted to address the housing issues deemed the current highest priority.

Some specific funding included investing $23 million in preservation, maintenance and upgrades to the housing portfolio and a $48 million investment in major regeneration or replacement of existing seniors housing.

1.4 Engage in capacity initiatives and strategies, including the implementation of a province-wide public housing operating system, the Housing Access Link, to improve housing service delivery, accountability and strategic planning.

In order to move towards meeting this priority initiative, the long-term goal is a modernized information system to improve strategic decision making, accountability and strategic planning of housing programs and services. An updated system to

replace the existing legacy systems for managing housing information to support corporate, client, property, and financial data and processes is required. In 2014-2015 progress was made to collect and support housing information from all housing providers through the development of a new housing reporting and information sharing portal and replacement of the government legacy systems. Support for standardization of HMB operating systems continues on an a case by case basis.

GOAL: Albertans have improved health as a result of protecting and promoting wellness and supporting independence.

(From Alberta Health's 2014-17 Business Plan.)

In 2014-2015 the Ministry undertook the following activities and investments to protect seniors' health, promote seniors' wellness and support seniors' independence:

- Approximately 29,800 clients received a benefit from the Special Needs Assistance program to assist in supporting seniors independence.
- Approximately 3,100 low-interest loans have been provided through the Seniors Property Tax Deferral program since 2013 to support seniors remaining independent in their own homes. Eighty percent of the senior homeowners deferring their property taxes in 2013 chose to also defer in 2014.
- The Alberta Seniors Benefit program provides the Supplemental Accommodation Benefit to around 12,000 lower-income seniors who live in long-term care and designated supportive living facilities. This benefit ensures they have at least $315 remaining in disposable income each month after paying facility accommodation charges.
- The Seniors Self-Contained Housing program provided $27 million in operational support to assist 15,000 seniors living in 14,000 self-contained units.
- Alberta Seniors provided $49 million to HMBs housing 11,000 seniors living in 10,000 lodge units.

2.1 Facilitate supportive environments for seniors and an aging population, in collaboration with other government and community partners.[5]

Alberta Seniors prioritizes seniors' safety and wellbeing. In 2014, the Ministry began work on amending the Management Body Operation and Administration Regulation under the *Alberta Housing Act* to increase minimum staffing standards for seniors lodge accommodation in Alberta. This minimum requirement will help ensure lodge residents, many of whom have mobility restrictions, can be safely evacuated in the event of a fire or other emergency.

5 Responsibility for this priority initiative was transferred from Alberta Health to Alberta Seniors on September 15, 2014.

Work to prevent elder abuse is also an ongoing priority for the Ministry. With the understanding that all sectors and citizens have roles in preventing and addressing elder abuse, the Ministry of Seniors works with a variety of partners to increase awareness and help Albertans recognize and report abuse. In support of World Elder Abuse Awareness Day 2014, the Ministry and the Alberta Elder Abuse Awareness Network collaborated to produce and distribute materials focused on awareness of elder and financial abuse.

In addition, Seniors provided training to front-line service providers throughout Alberta to increase their knowledge and awareness about elder abuse, prevention and how to respond to the needs of those impacted. Between 2012 and 2015, over 800 service providers received training.

The Ministry also collaborated with government partners to develop and implement initiatives that raise Albertans' awareness of effective, proactive approaches to brain health and the prevention of cognitive decline. This includes developing the *Healthy Heart – Healthy Brain* information sheet and webpage, which were released during Brain Awareness Week in March 2015 to raise public awareness around the linkages between brain and heart health.

The Ministry worked with the Ministry of Health and Alberta Innovates – Health Solutions to co-plan presentations on Healthy Brain Aging and Dementia at the Research Network Fest, held in March 2015.

Each year the Ministry co-hosts the Grey Matters Conference, which is open to representatives of agencies and organizations across the province involved in supporting seniors. Over the course of two days, attendees have opportunities to network and learn new information and approaches to meeting the growing needs of seniors. With over 300 registrants, the 2014 conference, co-hosted with the Golden Circle Senior Resource Centre in Red Deer, had the highest conference attendance yet.

Seniors also require access to consistent and accurate information on the programs and services available to them. To meet that need, the Ministry produces the *Seniors Programs and Services Information Guide*. In 2014-2015, more than 42,000 copies of the Guide were distributed to Albertans by mail. The Guide is also available on the Alberta Seniors website.

All of these activities and initiatives are intended to ensure that Alberta has the appropriate mechanisms in place to support the safety and well-being of seniors.

GOAL: Albertans have enhanced access to high quality, appropriate, cost effective health care and support services.

(From Alberta Health's 2014-17 Business Plan.)

3.1 Partner with providers and communities to develop additional continuing care services.[6]

Supporting appropriate housing options through programs such as the ASLI funding program was a priority for Alberta Seniors in 2014-2015. Through the ASLI program 13,329 spaces have been approved for development and to date 9,319 units have been completed. Completed ASLI units comprise 11 percent of the non-market housing portfolio and house over 10,300 Albertans.

The Ministry will continue to work with other ministries and partner organizations to ensure that seniors and Albertans in need of affordable housing have access to the services they require.

6 Responsibility for this priority initiative was transferred from Alberta Health to Alberta Seniors on September 15, 2014.

Ministry Financial Summary
(millions of dollars)

Results of Operations
For the Year Ending March 31, 2015
2014–15 Financial Analysis

	Constructed Budget	Actual	Difference	Variance Explanation
Total Revenue	$105.4	$116.7	$11.3	Various fluctuations including reversal of unused capital commitments from previous fiscal years.
Expenses Operating	661.7	646.7	15.0	Timing of Affordable Supportive Living Initiative capital grants disbursements. Offset by increases to housing initiatives such as Willow Square land transfer and increase in minimum monthly disposable income for seniors in lodges.
Capital Investment	137.0	88.4	48.6	Various affordable and seniors housing projects timelines will carry forward into future years.
Total Expenses	**$798.7**	**$735.1**	**$63.6**	

Revenue Highlights
(millions of dollars)

	2014-15 Constructed Budget	2014-15 Actual	2013-14 Actual
Transfers from the Government of Canada	$92.8	$75.9	$75.0
Investment Income	2.2	2.3	3.2
Other Revenue	10.4	38.5	13.9
Total Revenue	**$105.4**	**$116.7**	**$92.1**

Total revenue for the Ministry in 2014-2015 was $116.7 million, an increase of $24.6 million from the previous fiscal year.

Other Revenue increased by $24.6 million over the previous fiscal year which mainly comprises of the historical, unused capital commitments from previous fiscal years. $24.6 million is made up of previously committed housing and homeless capital grants that are no longer required as projects were completed under budget or are not proceeding and as a result are recorded as revenue in the year of the adjustment.

The Transfers from the Government of Canada $92.8 million constructed budget represents $72.6 million of operational revenue (compared to $75.9 million in actual revenue) and $20.2 million of capital plan revenue. The Alberta Social Housing Corporation is entitled to receive the $20.2 million from the Government of Canada, which has been classified as unearned revenue (not included in actual revenues) and will begin to be recognized as revenue when the capital project is complete and amortization of the asset occurs.

Expense Highlights
(millions of dollars)

	2014-15 Constructed Budget	2014-15 Actual	2013-14 Actual (restated)
Seniors Services	$37.5	$36.8	$33.8
Alberta Seniors Benefit	353.3	338.4	328.9
Housing	10.4	9.3	9.2
Alberta Social Housing Corporation	194.2	230.7	193.6
Affordable Supportive Living Initiative	50.5	10.8	20.9
Ministry Support Services	5.5	5.9	4.4
2013 Alberta Flooding	-	4.5	-
Debt Servicing	10.3	10.3	12.3
Total Operating Expenses	**$661.7**	**$646.7**	**$603.1**

Total operating expenses for the Ministry in 2014-2015 was $646.7 million, an increase of $43.6 million from the previous year.

Programs such as the Alberta Seniors Benefit and Special Needs Assistance for Seniors (Seniors Services) help low-income seniors by providing supplemental income and other financial supports. The Seniors Services and the Alberta Seniors Benefit expenditure increases are mainly due to a larger number of seniors benefiting from these programs and provisions to protect low-income seniors from long-term care rate increases.

The Alberta Social Housing Corporation $37 million increase in expenses over budget and the previous fiscal year is a result of various activities; which include the Willow Square land transfer and capital grant support ($17 million) in Fort McMurray, the increase in minimum monthly disposable income at Alberta seniors' lodges ($3 million), an increased amortization requirement ($4 million), and other non-cash dispositions and write-offs ($13 million).

The Affordable Supportive Living Initiative spending was $10.1 million lower than the previous fiscal year and $39.7 million lower than budgeted due to the timing of capital grant disbursements. There have been significant commitments made within this program where the timing of the corresponding planned expenditures has been revised to be incurred in future fiscal years.

Capital Investment

The Ministry, through the Alberta Social Housing Corporation, also spent a total of $88.4 million towards capital investment. The majority of this investment is for facility preservation and capital maintenance and the Urban and Rural housing renewal initiatives within seniors ($50 million) and family housing ($20 million).

Emergency housing also spent nearly $18 million for interim housing related to the acquisition of Coal Trail Plaza in High River.

The variance to the constructed budget was due to the some limited capacity in the industry and ministry to complete budgeted projects in the current fiscal year. Many of these projects will be carried forward into future fiscal years.

2013 Flooding

The Ministry also spent $4.5 million of flood recovery efforts, specifically for the replacement of the High River Seniors Lodge. The budget for this was transferred from Municipal Affairs subsequent to the September government reorganization.

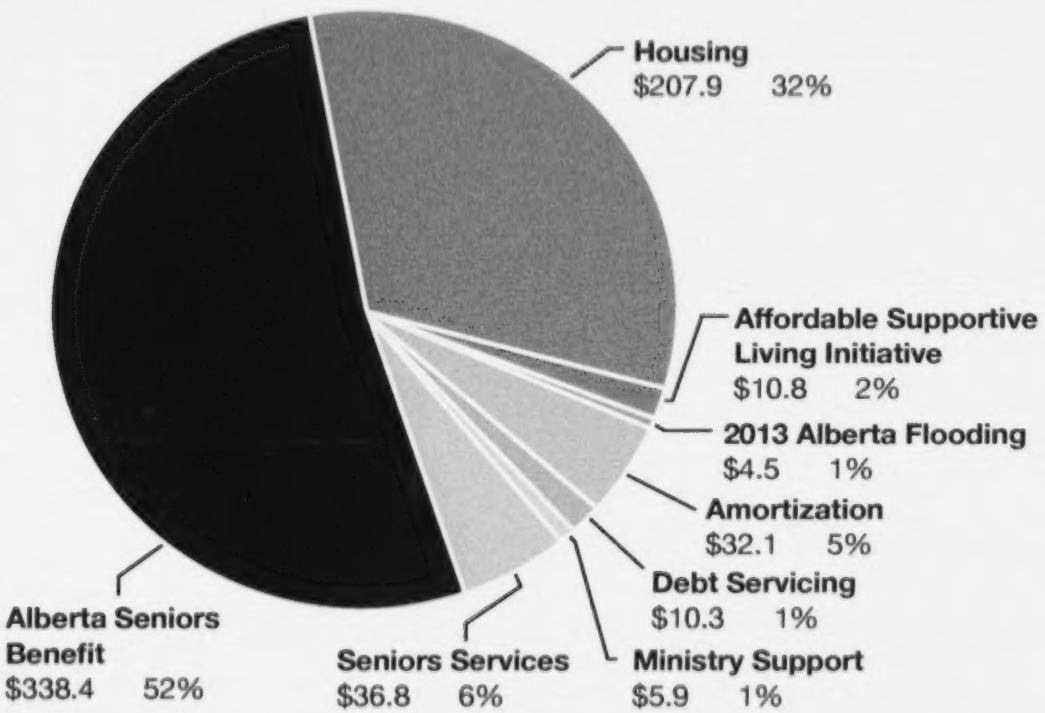
Additional housing related flood expenses incurred by the Ministry of Seniors of $180 million are reported in the Ministry of Municipal Affairs and Ministry of Aboriginal Relations where the budget resides.

Ministry Expense by Program
(millions of dollars)

The Ministry spent $338.4 million (52% of expenditures) on the Alberta Seniors Benefit program, which includes the accommodation supplement for residents of long-term care and designated supportive living and operations. Expenses to provide low income seniors with additional supports such as the Special Needs Assistance for Seniors grants, and enabling community based initiatives such as abuse shelters for seniors and local elder abuse response, totaled $36.8 million (6%) under the Seniors Services program. The Housing program, which includes the Alberta Social Housing Corporation, spent $207.9 million (32%) to provide affordable living to low income Albertans and emergency housing. The Affordable Supportive Living Initiative spent $10.8 million (2%) to create new, affordable living spaces for seniors. The remainder of the ministry's expenses went to amortization of capital assets (5%), debt servicing of $10.3 million (1%), support services of $5.9 million (<1%) to operate the overall ministry and for capital grants for flood related expenditures of $4.5 million (<1%).

Of the total expenditures, $556 million were grants 86% related to programs such as the Affordable Supportive Living Initiative capital grants, Alberta Seniors Benefit and Special Needs Assistance for Seniors. The remaining 14% were for amortization of housing assets (5%), department manpower (3%), supplies and services (2%), and other expenses, such as financial transactions and debt servicing (4%).

Operating Expense, by Program — $646.7



Financial Information

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To the Minister of Seniors

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Seniors, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Seniors as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

June 1, 2015

Edmonton, Alberta

Ministry of Seniors
Consolidated Statement of Operations

Year ended March 31, 2015

(in thousands)

	2015		2014
	Constructed Budget (Schedule 3)	Actual	Actual
Revenues (Schedule 1)			
Government Transfers			
Federal Government Grants	$ 92,840	$ 75,945	$ 75,003
Investment Income	2,230	2,329	3,221
Other Revenue	10,354	38,457	13,847
	105,424	116,731	92,071
Expenses - Directly Incurred (Note 2(b) and Schedule 5)			
Program (Schedule 2)			
Ministry Support Services	5,500	5,914	4,442
Seniors Services	37,518	36,789	33,796
Alberta Seniors Benefit	353,259	338,384	328,904
Housing	10,442	9,296	9,190
Affordable Supportive Living Initiative	50,467	10,758	20,858
2013 Alberta Flooding (Note 16)	-	4,465	-
Alberta Social Housing Corporation	194,175	230,705	193,613
	651,361	636,311	590,803
Debt Servicing			
Alberta Social Housing Corporation	10,343	10,342	12,289
	661,704	646,653	603,092
Net Operating Results	$ (556,280)	$ (529,922)	$ (511,021)

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Seniors
Consolidated Statement of Financial Position

As at March 31, 2015
(in thousands)

	2015	2014
Assets		
Cash and Cash Equivalents (Note 4)	$ 213,753	$ 273,558
Accounts Receivable (Note 5)	130,812	142,808
Inventories (Note 6)	1,903	-
Loans and Advances (Note 7)	36,018	26,738
Tangible Capital Assets (Note 9)	659,524	636,159
	$ 1,042,010	$ 1,079,263
Liabilities		
Accounts Payable and Accrued Liabilities	$ 199,024	$ 295,968
Deferred Revenue (Note 10)	60,008	40,075
Debentures and Notes Payable (Note 11)	110,049	142,427
	$ 369,081	$ 478,470
Net Assets		
Net Assets at Beginning of Year	$ 600,793	$ 433,533
Adjustments to net assets (Schedule 4)	(1,621)	22,296
Net Operating Results	(529,922)	(511,021)
Net Financing Provided from General Revenues	603,679	655,985
Net Assets at End of Year	$ 672,929	$ 600,793
	$ 1,042,010	$ 1,079,263

Contingent Liabilities and Contractual Obligations (Notes 12 and 13)

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Seniors
Consolidated Statement of Cash Flows

Year ended March 31, 2015

(in thousands)

	2015	2014
Operating Transactions		
Net Operating Results	$ (529,922)	$ (511,021)
Non-cash items included in Net Operating Results		
Grants in Kind (Note 9[4])	14,412	-
Capital Contributions in Kind (Note 9[3])	(1,417)	-
Amortization	32,108	25,873
Gain on Disposal of Tangible Capital Assets	(961)	(2,362)
Loss on Disposal of Tangible Capital Assets	12,854	915
	(472,926)	(486,595)
(Increase) Decrease in Accounts Receivable	11,996	(41,874)
Increase in Inventories	(1,903)	-
Decrease in Accounts Payable and Accrued Liabilities	(96,944)	(106,092)
Increase in Deferred Revenue	19,933	20,075
Cash Applied to Operating Transactions	(539,844)	(614,486)
Capital Transactions		
Acquisition of Tangible Capital Assets	(88,383)	(25,915)
Proceeds on Disposal of Tangible Capital Assets	6,400	2,691
Cash Applied to Capital Transactions	(81,983)	(23,224)
Investing Transactions		
Loans and Advances Made	(10,302)	(5,554)
Repayment of Loans and Advances	1,022	261
Cash Applied to Investing Transactions	(9,280)	(5,293)
Financing Transactions		
Repayment of Debentures and Notes Payable	(32,377)	(30,463)
Net Financing Provided from General Revenues	603,679	655,985
Cash Provided by Financing Transactions	571,302	625,522
Decrease in Cash	(59,805)	(17,481)
Cash at Beginning of Year	273,558	291,039
Cash at End of Year	$ 213,753	$ 273,558

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Seniors
Notes to the Consolidated Financial Statements
March 31, 2015

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Seniors operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000. The minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also disclosed in Note 2(a).

The ministry supports the well-being and quality of life for Alberta seniors and those in need of housing. These outcomes are accomplished by the development and maintenance of affordable housing options for Albertans most in need, and by helping Alberta's aging and senior population lead healthy and independent lives in their homes and communities.

Key Activities:

- Develop and provide opportunities for seniors to leverage their resources to contribute to their independence.
- Facilitate supportive environments for Alberta's seniors and an aging population, in collaboration with other government and community partners.
- Ensure there is a strong and effective elder abuse strategy that focuses on awareness and prevention.
- Collaborate with government partners, including Ministry of Health and Alberta Innovates-Health Solutions, to develop and implement initiatives to raise Albertans' awareness of effective proactive approaches to brain health and cognitive decline prevention strategies.
- Develop a new provincial housing strategy, including an assessment of government property and assets to assist in affordable housing.
- Collaborate with Ministry of Health to lead the renewal and renovation of the Affordable Supportive Living Initiative program to increase the number of units under development, including new partnerships with Alberta's faith community.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Ministry of Seniors for which the Minister of Seniors is accountable. The *Government Accountability Act* defines a ministry as including the department and any provincial agency or crown-controlled organization for which the minister is responsible. These consolidated financial statements include the accounts of the Department of Seniors (*Government Organization Act*) and the Alberta Social Housing Corporation (*Alberta Housing Act*).

The ministry annual report provides a more comprehensive accounting of the financial position and results of the ministry's operations for which the minister is accountable.

All ministries of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of ministries are deposited into the Fund and all cash disbursements made by ministries are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting

Revenue accounting policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations together with the department's actions and communications as to the use of transfers create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the department meets the eligibility criteria.

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- debt servicing costs,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the ministry operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the ministry are limited to cash and cash equivalents, and financial claims, such as advances to and receivables from other organizations, employees and other individuals.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Loans and advances are recorded at cost less provisions for estimated losses. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies. Loans and advances include mortgages and advances to housing providers to address short term cash flow needs for specified projects and operating pressures.

Assets acquired by right are not included.

Tangible capital assets of the ministry are recorded at historical cost and, except for land, are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Contributed tangible capital assets are recorded at their fair value at the time of contribution.

Amortization is only charged if the tangible capital asset is in use.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the ministry and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Financial Instruments

Financial instruments consist of Cash and Cash Equivalents, Accounts Receivable, Loans and Advances, Accounts Payable and Accrued Liabilities, and Debentures and Notes Payable. They are initially recognized at cost and subsequently carried at amortized cost. Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no reasonable expectation of recovery. The ministry does not own any derivatives, portfolio investments or other financial instruments designated in the fair value category and as such has not included a Statement of Remeasurement Gains and Losses.

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Risk Management

The ministry has minimal exposure to credit risk, liquidity risk and interest rate risk due to the nature of its operations. The primary creditors of the ministry are the Government of Alberta and the federal government. Both governments provide operational support to the ministry, thus reducing exposure to credit risk. Liquidity risk is minimized given the cash and cash equivalent balance within the ministry. As interest rates on Debentures and Notes Payable are fixed, the ministry is not exposed to interest rate fluctuation risk because the future cash flows of the debt will not fluctuate with future market interest rate change.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Accounts receivable for Housing Management Bodies disclosed as $10,894 (2014 - $7,392) in these financial statements, is subject to measurement uncertainty.

(c) Future Accounting Changes

In March 2015 the Public Sector Accounting Board issued PS 2200 - Related party disclosures and PS 3420 - inter-entity transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Management does not expect the implementation of these standards to have a significant impact on the financial statements.

NOTE 3 GOVERNMENT REORGANIZATION

(in thousands)

The Ministry of Seniors was established as a result of restructuring of government ministries announced on September 15, 2014 and other transfer of responsibilities from other ministries. Comparatives for 2014 have been restated as if the ministry had always been assigned with its current responsibilities. Net assets on March 31, 2014 are made up as follows:

	As previously Reported	Transfer from Health	Transfer From Municipal Affairs	Transfers from ESRD and former TPR [1]	As Restated
Net Assets at March 31, 2013	$ -	$ (94,265)	$ 550,197	$ (103)	$ 455,829
Net operating Results	-	(385,615)	(124,008)	(1,399)	(511,022)
Net Financing provided from General Revenues		435,835	218,752	1,399	655,986
Net Assets at March 31, 2014	$ -	$ (44,045)	$ 644,941	$ (103)	$ 600,793

[1] ESRD - Environment and Sustainable Resource Development
TPR - former Tourism, Parks and Recreation

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short term securities with a maximum term to maturity of three years. As at March 31, 2015, securities held by the Fund have a time-weighted return of 1.2% per annum (2014 – 1.2% per annum). Due to the short term nature of CCITF investments, the carrying value approximates fair value.

NOTE 5 ACCOUNTS RECEIVABLE
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 110,939	$ -	$ 110,939	$ 91,973
Ministry of Aboriginal Relations	-	-	-	31,526
Ministry of Municipal Affairs	-	-	-	-
Housing Providers	10,894	-	10,894	7,392
Alberta Risk Management Fund	6,706	-	6,706	7,737
Other	3,832	(1,559)	2,273	4,180
	$ 132,371	$ (1,559)	$ 130,812	$ 142,808

NOTE 6 INVENTORIES
(in thousands)

Inventory held for resale relates to 30 manufactured housing units that were purchased to be sold at cost at a future date to the Siksika First Nation as part of the Southern Alberta Flooding recovery efforts.

	2015	2014
Manufactured housing units inventory	$ 1,903	$ -

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 7 LOANS AND ADVANCES
(in thousands)

	2015			2014
	Gross Amount	Allowance for Losses	Net Realizable Value	Net Realizable Value
Rural and Native[1]	$ 218	$ -	$ 218	$ 516
Housing Providers' Reserves[2]	5,127	-	5,127	5,127
Rent Supplement[3]	14,327	-	14,327	14,327
Southern Alberta Flooding 2013[4]	2,878	-	2,878	1,240
Seniors Property Tax Receivable[5]	8,266	-	8,266	4,239
Accrued Interest Receivable[5]	268	-	268	90
Other Loans and Advances	4,934	-	4,934	1,199
	$ 36,018	$ -	$ 36,018	$ 26,738

(1) Mortgages receivable provided under the Rural and Native Housing program are repayable over an amortization period of 25 years with a five-year interest renewal term.

(2) Housing providers are provided an advance based on the number of housing units under management in order to address short term operating cash flow requirements during the year. These cash advances can be collected at any time at the discretion of the minister. These funds are required to be replenished by the Housing Providers.

(3) Housing Management Bodies are provided an advance for approximately two months of anticipated annual operational funding requirements to administer the Rent Supplement Program. These cash advances can be collected at any time at the discretion of the minister. These cash advances are replenished as monthly claims are processed.

(4) Cash advances were provided to Housing Management Bodies and organizations as a result of the Southern Alberta Flooding incident to help manage flood disaster relief and address cash flow needs.

(5) The Seniors Property Tax Deferral Program helps eligible senior homeowners defer all or part of their annual residential property taxes through a low-interest equity loan. The loan must be repaid before the residence can be legally transferred to a new owner with the exception of transfer to a surviving spouse.

NOTE 8 VALUATION OF FINANCIAL ASSETS AND LIABILITIES
(in thousands)

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash and Cash Equivalents, Accounts Receivable and Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of Loans and Advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability. The fair value of Debentures and Notes Payable is disclosed in Note 11.

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 9 TANGIBLE CAPITAL ASSETS

(in thousands)

	2015				
	Land	Buildings & Leasehold Improvements	Equipment[1]	Computer Hardware and Software	Total
Estimated useful life	Indefinite	10-50 years	10 years	3-5 years	
Historical Cost[2]					
Beginning of year	$ 137,549	$ 1,146,988	$ 22,638	$ 9,459	$ 1,316,634
Additions[3]	16,124	65,089	2,951	5,635	89,799
Disposals, including write-downs[4] [5]	(13,266)	(2,063)	(12,673)	(10,643)	(38,645)
	$ 140,407	$ 1,210,014	$ 12,916	$ 4,451	$ 1,367,788
Accumulated Amortization					
Beginning of year	$ -	$ 674,032	$ 5,708	$ 736	$ 680,476
Amortization expense	-	29,850	2,218	39	32,107
Effect of disposals	-	(1,077)	(3,242)	-	(4,319)
	$ -	$ 702,805	$ 4,684	$ 775	$ 708,264
Net book value at March 31, 2015	$ 140,407	$ 507,209	$ 8,232	$ 3,676	$ 659,524
Net book value at March 31, 2014	$ 137,549	$ 472,956	$ 16,931	$ 8,723	$ 636,159

[1] Equipment includes manufactured housing units and trailers, office equipment and other equipment.

[2] Historical cost includes work-in-progress at March 31, 2015 totaling $53,562 comprised of: buildings $53,562 (2014 - $23,544); and computer hardware and software $0 (2014 - $8,723).

[3] Land additions totalling $38,420 is comprised of:

(i) $13,158 is related to the purchase of the Willow Square land in Fort McMurray to be transferred to the Wood Buffalo Housing and Development Corporation for development to provide new affordable housing options to seniors and lower-income residents in the community.

(ii) $1,549 is related to the purchase of the Coal Plaza Apartment building as part of recovery efforts for the Southern Alberta flood and the ongoing need for affordable housing in the Town of High River.

(iii) $1,417 is related to land donated to the Corporation from the City of Fort Saskatchewan for the new Dr. Turner Lodge for seniors housing.

[4] Disposals include three nominal sum disposals totalling $14,412 is comprised of:

(i) $13,158 for the transfer of Willow Square land to the Wood Buffalo Housing and Development Corporation for development to provide new affordable housing options for seniors and lower-income residents in the community.

(ii) $1,182 to provide trailers to the Lubicon Lake Band due to an emergent housing crisis in the community.

(iii) $72 for the transfer of land to Habitat for Humanity to enable construction of single family home ownership units for lower income working families in the community.

[5] Disposals include $1,621 related to the transfer of housing units to Ministry of Education to address the need for teachers housing for Northland School District.

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 10 DEFERRED REVENUE

(in thousands)

	2015	2014
Unearned revenue (i)	$ 18	$ 15
Unspent deferred capital contribution (ii)	59,990	40,060
	$ 60,008	$ 40,075

	2015	2014
(i) Unearned Revenue[1]		
Balance, beginning of year	$ 15	$ -
Received/receivable during year	30	15
Less amounts recognized as revenue	(27)	-
Balance, end of year	$ 18	$ 15

	2015	2014
(ii) Unspent deferred capital contributions[2]		
Balance, beginning of year	$ 40,060	$ 20,000
Contributions received/receivable during the year	19,930	20,060
Balance, end of year	$ 59,990	$ 40,060

[1] Unearned Revenue includes miscellaneous fees and rental revenue.

[2] Federal funding under the Canada-Alberta Agreement for Investment in Affordable Housing with the Canada Mortgage and Housing Corporation (CMHC).

NOTE 11 DEBENTURES AND NOTES PAYABLE

(in thousands)

The ministry's long term debt and exposure to interest rate risk are summarized as follows:

	2015	2014
Canada Mortgage and Housing Corporation[1]	$ 61,944	$ 64,516
Ministry of Treasury Board and Finance[2]	48,105	77,911
	$ 110,049	$ 142,427

[1] Debentures maturing January 2023 to January 2030, with a weighted average effective rate of 9.676%.

[2] Notes payable maturing September 16, 2016, with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings. The debentures, including interest thereon, are repayable in equal annual or semi-annual installments and the note payable is repayable in equal semi-annual installments.

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 11 DEBENTURES AND NOTES PAYABLE (Cont'd)
(in thousands)

Approximate aggregate repayments of principal in each of the next five years are:

2016	$ 34,415
2017	19,588
2018	3,375
2019	3,696
2020	4,047
Thereafter	44,928
	$ 110,049

Long-term debt has a fair value of $91,797 (2014 – $90,856) for Canada Mortgage and Housing Corporation debentures and $50,507 (2014 – $83,154) for the note payable to Ministry of Treasury Board and Finance. Fair values for debt are based on the Province of Alberta's current borrowing rates which are available to the ministry for debt with similar terms and maturities.

NOTE 12 CONTINGENT LIABILITIES
(in thousands)

The ministry is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

The ministry has been named in one (2014 – three) claim of which the outcome is not determinable. The claim has no amounts specified. The claim is covered in whole or in part by the Alberta Risk Management Fund. The resolution of the indeterminable claim may result in a liability.

NOTE 13 CONTRACTUAL OBLIGATIONS
(in thousands)

Contractual obligations are obligations of the ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for Affordable Supportive Living Initiative where agreements are signed have been included as a program obligation.

	2015	2014
Obligations under Operating Leases, Contracts and Programs	$ 222,785	$ 232,943
Obligations Under Capital Leases, Contracts and Programs	51,047	40,069
	$ 273,832	$ 273,012

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 13 CONTRACTUAL OBLIGATIONS (Cont'd)
(in thousands)

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Total
2015-16	$ 37,257
2016-17	20,293
2017-18	21,258
2018-19	20,068
2019-20	19,874
Thereafter	104,035
	$ 222,785

Obligations Under Capital Leases, Contracts and Programs

	Total
2015-16	$ 45,676
2016-17	2,726
2017-18	883
2018-19	881
2019-20	881
Thereafter	-
	$ 51,047

NOTE 14 PROGRAM RECOVERIES

The Canada Mortgage and Housing Corporation (CMHC) provides contributions toward subsidies of rental properties and mortgages receivable and for certain capital costs, the administration expenses and net operating results of approved community housing projects through cost-sharing agreements. CMHC also provides contributions for net operating results of approved community, special needs and seniors housing and rent supplement projects.

NOTE 15 BENEFIT PLANS
(in thousands)

The ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,507 for the year ended March 31, 2015 (2014 – $2,053). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2014, the Management Employees Pension Plan reported a surplus of $75,805 (2013 – surplus $50,457), the Public Service Pension Plan reported a deficiency of $803,299 (2013 – deficiency $1,254,678) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $17,203 (2013 – deficiency $12,384).

Ministry of Seniors
Notes to the Consolidated Financial Statements (Cont'd)
March 31, 2015

NOTE 15 BENEFIT PLANS (Cont'd)
(in thousands)

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2015, the Bargaining Unit Plan reported an actuarial surplus of $ 86,888 (2014 – surplus $75,200) and the Management, Opted Out and Excluded Plan an actuarial surplus of $ 32,343 (2014 – surplus $24,055). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 16 2013 ALBERTA FLOODING

The full recovery from the June 2013 flood in southern Alberta will take a number of years. The ministry provided direct support to Housing Management Bodies whose residents were displaced and buildings were impacted by the flood.

NOTE 17 COMPARATIVE FIGURES

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

NOTE 18 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Seniors
Schedule to the Consolidated Financial Statements Schedule 1
Revenues

Year ended March 31, 2015

(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
Federal and Other Government Grants			
Recoveries from Canada Mortgage and Housing Corporation (Note 14)	$ 92,840	$ 75,945	$ 75,003
	92,840	75,945	75,003
Investment Income	2,230	2,329	3,221
Other Revenue			
Recoveries from Housing Providers	7,784	6,715	5,130
Contribution from Housing Providers and Third Parties	-	1,417	-
Rental Revenue	95	313	1,000
Refunds of Expenditure	135	28,917	5,352
Gain on Disposal of Tangible Capital Assets	2,340	961	2,362
Miscellaneous	-	134	3
	10,354	38,457	13,847
	$ 105,424	$ 116,731	$ 92,071

Ministry of Seniors
Schedule to the Consolidated Financial Statements Schedule 2
Expenses – Directly Incurred Detailed by Object
Year ended March 31, 2015
(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 24,627	$ 21,531	$ 20,986
Supplies and Services	10,636	12,860	13,676
Grants	587,721	555,572	529,183
Debt Servicing Costs	10,343	10,342	12,289
Amortization of Tangible Capital Assets	28,139	32,108	25,873
Other	238	14,240	1,085
	$ 661,704	$ 646,653	$ 603,092

Ministry of Seniors
Schedule to the Consolidated Financial Statements
Budget Reconciliation

Schedule 3

Year ended March 31, 2015
(in thousands)

	2014-15 Estimate[1]	Adjustments to conform to Accounting Policy[2]	2014-15 Constructed Budget
Revenues			
Federal Government Grants	$ 72,650	$ 20,190	$ 92,840
Investment Income	2,230	-	2,230
Gain on Disposal of Tangible Capital Assets	2,340	-	2,340
Other Revenue	8,014	-	8,014
	85,234	20,190	105,424
Expenses - Directly Incurred			
Programs			
Ministry Support Services	5,500	-	5,500
Seniors Services	37,518	-	37,518
Alberta Seniors Benefit	353,259	-	353,259
Housing	10,442	-	10,442
Affordable Supportive Living Initiative	467	50,000	50,467
2013 Alberta Flooding	-	-	-
Alberta Social Housing Corporation	193,985	190	194,175
	601,171	50,190	651,361
Debt Servicing			
Alberta Social Housing Corporation	10,343	-	10,343
	611,514	50,190	661,704
Net Operating Results	$ (526,280)	$ (30,000)	$ (556,280)
Capital Spending	$ 187,190	$ (50,190)	$ 137,000
Financial Transactions	$ 20,500	$ -	$ 20,500

[1] The 2014-15 Government Estimates on the Statement of Operations does not differentiate between amounts not required to be voted and voted expenses. Valuation adjustments are allocated to each program.

- Operational amounts are cash disbursements for the purpose of salaries, supplies, and services, and operating grants.

- Capital consists of cash disbursements for the purpose of investments in tangible capital assets valued at $5,000 or more and grants for capital purposes.

[2] Accounting Adjustments are in accordance with PS1200.125 and include:

I. Adjustments for Revenues:

- Capital revenues relate to funds from Canada Mortgage and Housing Corporation in the amount of $20,190 under the Canada-Alberta Agreement for Investment in Affordable Housing shown under "Capital Plan Revenue" in the 2014-15 Government Estimates.

II. Adjustments for Expenses:

- Operating expense included in Capital Spending (capital grants).

Ministry of Seniors
Schedule to the Consolidated Financial Statements
Related Party Transactions

Schedule 4

Year ended March 31, 2015
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2015	2014
Revenues		
Rental Revenue	$ 51	$ 101
	$ 51	$ 101
Expenses - Directly Incurred		
Business and Technology Services	$ 614	$ 828
Alberta Risk Management Fund	5,566	5,360
Debt Servicing Costs	4,166	5,885
	$ 10,346	$ 12,073
Tangible Capital Assets Transferred In (Out)		
Ministry of Infrastructure[1]	$ -	$ 22,296
Ministry of Education[2]	(1,621)	-
	$ (1,621)	$ 22,296
Receivable from		
Alberta Risk Management Fund	$ 6,706	$ 7,737
Ministry of Treasury Board and Finance	31	84
Ministry of Municipal Affairs	-	14,002
Ministry of Aboriginal Relations	-	31,526
Alberta Treasury Branch Financial	-	1,490
Ministry of Health	99	-
	$ 6,836	$ 54,839

Ministry of Seniors
Schedule to the Consolidated Financial Statements
Related Party Transactions

Schedule 4
(cont'd)

Year ended March 31, 2015
(in thousands)

	Other Entities	
	2015	2014
Payables to		
Ministry of Treasury Board and Finance [3]	$ 53,269	$ 78,101
Alberta Risk Management Fund	718	538
Ministry of Municipal Affairs	185	-
Ministry of Infrastructure	45	55
Post Secondary Institutions	35	-
Alberta Health Services	22	-
	$ 54,274	$ 78,694

[1] This amount is for the transfer of Parsons Creek lands from the Ministry of Infrastructure to the ministry with the lands being intended for affordable housing.

[2] This amount is for the transfer of housing units to Ministry of Education to address the need for teachers housing for Northland School District.

[3] Amount represents principal repayments and interest on debt.

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	Other Entities	
	2015	2014
Expenses - Incurred by Others (Schedule 5)		
Accommodation	$ 3,401	$ 2,431
Business Services[1]	790	325
Legal	230	190
	$ 4,421	$ 2,946

[1] Business Services includes financial and administrative services and air transportation costs.

Ministry of Seniors
Schedule to the Consolidated Financial Statements
Allocated Costs

Schedule 5

Year ended March 31, 2015
(in thousands)

Program	2015 Expenses[1]	Expenses - Incurred by Others: Accommodation Costs[2]	Business Services[3]	Legal Services[4]	2015 Total Expenses	2014 Total Expenses
Ministry Support Services	$ 5,914	$ 375	$ 7	$ 137	$ 6,433	$ 5,064
Seniors Services	36,789	711	45	-	37,545	33,796
Alberta Seniors Benefit	338,384	763	414	-	339,561	328,904
Housing	9,296	150	306	74	9,826	9,398
Affordable Supportive Living Initiative	10,758	52	13	-	10,823	20,858
2013 Alberta Flooding	4,465	-	5	-	4,470	-
Alberta Social Housing Corporation	241,047	1,350	-	19	242,416	206,600
	$ 646,653	$ 3,401	$ 790	$ 230	$ 651,074	$ 604,620

[1] Expenses – Directly Incurred as per Consolidated Statement of Operations.

[2] Cost shown for Accommodation on Schedule 4, allocated by number of employees.

[3] Business Services include charges for IT support, vehicles, internal audit services and other services on Schedule 4, allocated by costs in certain programs.

[4] Costs shown for Legal Services on Schedule 4, allocated by estimated costs incurred by each program.

Ministry of Seniors
Supplementary Information to the Financial Statements (Unaudited)
Housing Providers

Year ended March 31, 2015
(in thousands)

The following unaudited supplementary information is intended to provide additional information to financial statement readers regarding the provision of seniors' self-contained and community housing programs through housing providers. The Alberta Social Housing Corporation (the Corporation) establishes budgets for each provider.

Grants are provided to cover operating support for various housing programs and are recorded as expenses. Recoveries are received from housing providers who operate with surpluses and are recorded as revenues. Costs for property insurance, amortization, and interest on long term debt are incurred and recorded directly in the financial statements of the ministry.

The housing providers' fiscal year is January to December. Their annual budgets are approved by the President of the Corporation.

The total budgeted rental revenues collected by housing providers for their 2014 fiscal year was $132,039 (2013 - $127,668). The total budgeted operating expenses for housing providers for the 2014 fiscal year is as follows:

	2014	2013
Expenses:		
Administration	$ 31,650	$ 30,675
Operating Expenses	37,378	33,488
Property Taxes	20,601	19,017
Repairs and Maintenance	34,420	35,854
Utilities	50,369	46,981
	$ 174,418	$ 166,015

Department of Seniors
Financial Statements

Department of Seniors
Financial Statements

March 31, 2015

Independent Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flows
Notes to the Financial Statements
Schedule 1 - Revenues
Schedule 2 - Expenses - Directly Incurred Detailed by Object
Schedule 3 - Budget Reconciliation
Schedule 4 - Lapse/Encumbrance
Schedule 5 - Salary and Benefits Disclosure
Schedule 6 - Related Party Transactions
Schedule 7 - Allocated Costs

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Seniors

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Seniors, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Seniors as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

June 1, 2015

Edmonton, Alberta

Department of Seniors
Statement of Operations

Year ended March 31, 2015
(in thousands)

	2015 Constructed Budget (Schedule 3)	2015 Actual	2014 Actual
Revenues (Schedule 1)			
Investment Income	$ 630	$ 215	$ 92
Other Revenue	135	25,330	431
	765	25,545	523
Expenses - Directly Incurred (Note 2(b) and Schedule 7)			
Program (Schedules 2 and 4)			
Ministry Support Services	5,500	5,914	4,442
Seniors Services	37,518	36,789	33,796
Alberta Seniors Benefit	353,259	338,384	328,904
Housing	142,347	148,601	137,222
Alberta Supportive Living Initiative	50,467	10,758	20,858
2013 Alberta Flooding (Note 10)	-	4,465	-
	589,091	544,911	525,222
Net Operating Results	$ (588,326)	$ (519,366)	$ (524,699)

The accompanying notes and schedules are part of these financial statements.

Department of Seniors
Statement of Financial Position

As at March 31, 2015
(in thousands)

	2015	2014
Assets		
Cash	$ -	$ 2
Accounts Receivable (Note 4)	48,363	48,326
Loans and Advances (Note 5)	8,534	4,329
Tangible Capital Assets (Note 6)	10	15
	$ 56,907	$ 52,672
Liabilities		
Accounts Payable and Accrued Liabilities	$ 173,712	$ 253,790
	$ 173,712	$ 253,790
Net Liabilities		
Net Liabilities at Beginning of Year	$ (201,118)	$ (332,404)
Net Operating Results	(519,366)	(524,699)
Net Financing Provided from General Revenues	603,679	655,985
Net Liabilities at End of Year	$ (116,805)	$ (201,118)
	$ 56,907	$ 52,672

Contingent liabilities and contractual obligations (Notes 7 and 8)

The accompanying notes and schedules are part of these financial statements.

Department of Seniors
Statement of Cash Flows

Year ended March 31, 2015
(in thousands)

	2015	2014
Operating Transactions		
Net Operating Results	$ (519,366)	$ (524,699)
Non-cash items included in Net Operating Results:		
Amortization	4	40
	(519,362)	(524,659)
(Increase) Decrease in Accounts Receivable	(37)	2,387
Decrease in Accounts Payable and Accrued Liabilities	(80,078)	(129,382)
Cash Applied to Operating Transactions	(599,477)	(651,654)
Investing Transactions		
Loans and Advances Made	(5,226)	(4,590)
Repayment of Loans and Advances	1,022	261
Cash Applied to Investing Transactions	(4,204)	(4,329)
Financing Transactions		
Net Financing Provided from General Revenues	603,679	655,985
Cash Provided by Financing Transactions	603,679	655,985
Increase (Decrease) in Cash	(2)	2
Cash at Beginning of Year	2	-
Cash at End of Year	$ 0	$ 2

The accompanying notes and schedules are part of these financial statements.

Department of Seniors
Notes to the Financial Statements
March 31, 2015

NOTE 1 AUTHORITY AND PURPOSE

The Department of Seniors operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The department supports the well-being and quality of life for Alberta seniors and those in need of housing. These outcomes are accomplished by the development and maintenance of affordable housing options for Albertans most in need, and by helping Alberta's aging and senior population lead healthy and independent lives in their homes and communities.

Key Activities:

- Develop and provide opportunities for seniors to leverage their resources to contribute to their independence.
- Facilitate supportive environments for Alberta's seniors and an aging population, in collaboration with other government and community partners.
- Ensure there is a strong and effective elder abuse strategy that focuses on awareness and prevention.
- Collaborate with government partners, including Department of Health and Alberta Innovates-Health Solutions, to develop and implement initiatives to raise Albertans' awareness of effective proactive approaches to brain health and cognitive decline prevention strategies.
- Develop a new provincial housing strategy, including an assessment of government property and assets to assist in affordable housing.
- Collaborate with Department of Health to lead the renewal and renovation of the Affordable Supportive Living Initiative program to increase the number of units under development, including new partnerships with Alberta's faith community.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Department of Seniors, which is part of the Ministry of Seniors and for which the Minister of Seniors is accountable. The other entity reporting to the minister is the Alberta Social Housing Corporation. The activity of this organization is not included in these financial statements. The ministry annual report provides a more comprehensive accounting of the financial position and results of the ministry's operations for which the minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting

Revenue accounting policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations together with the department's actions and communications as to the use of transfers create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the transfer is authorized and the department meets the eligibility criteria.

Expenses

Directly Incurred

Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the department operations are not recognized and are disclosed in Schedule 6 and allocated to programs in Schedule 7.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Loans and Advances are recorded at cost less adjustment for any prolonged impairment in value. Where there is no longer reasonable assurance of timely collection of the full amount of principal and interest on a loan, valuation allowances are made and the carrying amount of the loan is reduced to its estimated realizable amount. Interest is accrued on loans only when collection is certain. Otherwise, it is recognized on the cash basis. Accrued interest is included in loan and advances.

Assets acquired by right are not included.

Tangible capital assets of the department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is in use.

When physical assets (tangible capital assets) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net Liabilities represent the difference between the carrying value of assets held by the department and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(c) Future Accounting Changes

PS 2200 Related Party Disclosure and PS 3420 Inter-entity Transactions
In March 2015 the Public Sector Accounting Board issued PS 2200 - Related party disclosures and PS 3420 - inter-entity transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.

- PS 3420 - Inter-entity transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Management does not expect the implementation of these standards to have a significant impact on the financial statements.

NOTE 3 GOVERNMENT REORGANIZATION

(in thousands)

The Department of Seniors was established as a result of restructuring of government ministries, announced on September 15, 2014, and the transfer of responsibilities from other departments. Comparatives for 2014 have been restated as if the department had always been assigned with its current responsibilities. Net Liabilities on March 31, 2014 are made up as follows:

	As previously Reported	Transfer from Health	Transfer From Municipal Affairs	Transfers from ESRD and former TPR [1]	As Restated
Net Liabilities at March 31, 2013	$ -	$ (94,265)	$ (238,036)	$ (103)	$ (332,404)
Net operating Results	-	(385,615)	(137,685)	(1,399)	(524,699)
Net Financing provided from General Revenue	-	435,835	218,751	1,399	655,985
Net Liabilities at March 31, 2014	$ -	$ (44,045)	$ (156,970)	$ (103)	$ (201,118)

[1] ESRD - Environment and Sustainable Resource Development
TPR - Former Tourism, Parks and Recreation

Department of Seniors
Notes to the Financial Statements (Cont'd)
March 31, 2015

NOTE 4 ACCOUNTS RECEIVABLE
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 48,005	$ -	$ 48,005	$ 48,005
Other	1,888	(1,530)	358	321
	$ 49,893	$ (1,530)	$ 48,363	$ 48,326

NOTE 5 LOANS AND ADVANCES
(in thousands)

The Seniors Property Tax Deferral Program was introduced effective April 1, 2013 to help eligible senior homeowners to defer all or part of their annual residential property taxes through a low-interest home equity loan with the Department of Seniors. Seniors who are 65 years of age or older, are resident in Alberta, own a residential property in Alberta which is their principal residence, and have a minimum of 25% equity in the home, are eligible for a low-interest home equity loan.

The Department of Seniors pays the property taxes to the municipalities on behalf of the seniors. Except in the case where a residence is being directly transferred to a surviving spouse who is 55 years or older, the deferred taxes plus any outstanding interest must be repaid before the residence can be legally transferred to a new owner. Alternatively, the deferred taxes along with interest can be repaid at any time. Simple interest is charged on the outstanding portion of the loan at a rate based on an estimate of the Government's cost of funding property tax deferral loans, including the cost of making and administering the loans.

The loans are secured by registering a caveat on the certificate of title in a Land Titles Office.

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Seniors Property Tax Receivable	$ 8,266	$ -	$ 8,266	$ 4,239
Accrued Interest Receivable	268	-	268	90
	$ 8,534	$ -	$ 8,534	$ 4,329

Department of Seniors
Notes to the Financial Statements (Cont'd)
March 31, 2015

NOTE 6 TANGIBLE CAPITAL ASSETS
(in thousands)

	2015			
	Equipment[1]	Computer Hardware and Software	Leasehold Improvement	Total
Estimated useful life	10 years	5 years	10 years	
Historical Cost				
Beginning of Year	$ 99	$ 736	$ 71	$ 906
Additions	-	-	-	-
	$ 99	$ 736	$ 71	$ 906
Accumulated Amortization				
Beginning of Year	85	736	71	892
Amortization Expense	4	-	-	4
	89	736	71	896
Net book value at March 31, 2015	$ 10	$ -	$ -	$ 10
Net book value at March 31, 2014	$ 15	$ -	$ -	$ 15

[1] Equipment includes office and other equipment.

NOTE 7 CONTINGENT LIABILITIES
(in thousands)

The department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

The department has been named in one (2014 – one) claim of which the outcome is not determinable. This claim has no amounts specified. The claim is covered in whole by the Alberta Risk Management Fund. The resolution of the indeterminable claim may result in a liability.

NOTE 8 CONTRACTUAL OBLIGATIONS
(in thousands)

Contractual obligations are obligations of the department to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for the Affordable Supportive Living Initiative where agreements are signed have been included as a program obligation.

	2015	2014
Obligations under Operating Leases, Contracts and Programs	$ 16,476	$ 6,852
Obligations Under Capital Contracts and Leases	-	-
	$ 16,476	$ 6,852

Estimated payment requirements for each of the next five years and thereafter are as follows:

NOTE 8 CONTRACTUAL OBLIGATIONS (Cont'd)

(in thousands)

Obligations Under Operating Leases, Contracts and Programs	Total
2015-16	$ 15,236
2016-17	120
2017-18	1,120
2018-19	-
2019-20	-
Thereafter	-
	$ 16,476

NOTE 9 BENEFIT PLANS

(in thousands)

The department participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $2,507 for the year ended March 31, 2015 (2014 – $2,053). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2014, the Management Employees Pension Plan reported a surplus of $75,805 (2013 – surplus $50,457), the Public Service Pension Plan reported a deficiency of $803,299 (2013 – deficiency $1,254,678) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of $17,203 (2013 – deficiency $12,384).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2015, the Bargaining Unit Plan reported an actuarial surplus of $ 86,888 (2014 - surplus $75,200) and the Management, Opted Out and Excluded Plan an actuarial surplus of $32,343 (2014 - surplus $24,055). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 2013 ALBERTA FLOODING

(in thousands)

The Department committed $4.95 million in funding to replace a portion of the Medicine Tree Manor Seniors Lodge in High River impacted by the 2013 Southern Alberta Floods. In 2014-15, ninety percent of the funding was provided to the grant recipient with the remaining ten percent to be provided upon completion of the project.

NOTE 11 COMPARATIVE FIGURES

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Department of Seniors
Schedule to Financial Statements
Revenues

Schedule 1

Year ended March 31, 2015
(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
Investment Income	$ 630	$ 215	$ 92
Other Revenue			
Prior Year Expenditure Refunds	135	25,330	431
	135	25,330	431
Total Revenues	$ 765	$ 25,545	$ 523

Department of Seniors
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object

Schedule 2

Year ended March 31, 2015
(in thousands)

	2015		2014
	Constructed Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 24,627	$ 21,531	$ 20,986
Supplies and Services	4,587	5,721	6,063
Grants	559,412	516,268	497,971
Amortization of Tangible Capital Assets	227	4	40
Other	238	1,387	162
	$ 589,091	$ 544,911	$ 525,222

Department of Seniors
Schedule to Financial Statements
Budget Reconciliation

Schedule 3

Year ended March 31, 2015
(in thousands)

	2014 -15 Estimate[1]	Adjustments to Conform to Accounting Policy [2]	2014-15 Constructed Budget
Revenues			
Investment Income	$ 630	$ -	$ 630
Other Revenue	135	-	135
	765	-	765
Expenses - Directly Incurred			
Programs			
Ministry Support Services	5,500	-	5,500
Seniors Services	37,518	-	37,518
Alberta Seniors Benefit	353,259	-	353,259
Housing	142,347	-	142,347
Alberta Supportive Living Initiative	467	50,000	50,467
2013 Alberta Flooding	-	-	-
	539,091	50,000	589,091
Net Operating Results	$ (538,326)	$ (50,000)	$ (588,326)
Capital Spending	$ 50,000	$ (50,000)	$ -
Financial Transactions	$ 20,500	$ -	$ 20,500

(1) The 2014-15 Government Estimates on the Statement of Operations does not differentiate between amounts not required to be voted and voted expenses. Valuation adjustments are allocated to each program.
- Operational amounts are cash disbursements for the purpose of salaries, supplies and services, and operating grants.
- Capital consists of cash disbursements for the purpose of investments in tangible capital assets valued at $5,000 or more, and grants for capital purposes.

(2) Accounting Adjustments are in accordance with PS1200.125 and include:

Adjustments for Expenses:

- operating expense included in Capital Spending (capital grants).

Department of Seniors
Schedule to Financial Statements
Lapse/Encumbrance

Schedule 4

Year ended March 31, 2015
(in thousands)

		Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
Program - Operational							
1	**Ministry Support Services**						
1.1	Minister's Office	$ 688	$ -	$ -	$ 688	$ 629	$ 59
1.2	Deputy Minister's Office	741	-	-	741	847	(106)
1.3	Strategic Corporate Services	3,402	-	-	3,402	3,673	(271)
1.4	Communications	498	-	-	498	113	385
		5,329	-	-	5,329	5,262	67
2	**Seniors Services**						
2.1	Program Support	2,996	-	-	2,996	2,505	491
2.2	Seniors Strategies	3,252	-	-	3,252	2,549	703
2.3	Special Needs Assistance and Project Grants	30,607		-	30,607	31,316	(709)
2.4	Property Tax Deferral	663	-	-	663	351	312
		37,518	-	-	37,518	36,721	797
3	**Alberta Seniors Benefit**						
3.1	Program Support	6,259	-	-	6,259	7,553	(1,294)
3.2	Alberta Seniors Benefit Grants	346,900		-	346,900	330,660	16,240
		353,159	-	-	353,159	338,213	14,946
4	**Housing**						
4.1	Divisional Support	557	-	-	557	648	(91)
4.2	Housing Capital Programs	3,115	-	-	3,115	2,454	661
4.3	Housing Strategies	1,440	-	-	1,440	2,549	(1,109)
4.4	Housing Funding and Accountability	5,236	-	-	5,236	3,229	2,007
4.5	Assistance to Alberta Social Housing Corporation	131,905		-	131,905	139,305	(7,400)
		142,253	-	-	142,253	148,185	(5,932)
5	**Affordable Supportive Living Initiative**						
5.1	Affordable Supportive Living Initiative Grants	467	-	-	467	208	259
		467	-	-	467	208	259
6	**2013 Alberta Flooding**						
6.1	Southern Alberta Flooding 2013	-	-	-	-	-	-
		-	-	-	-	-	-
	Total	$ 538,726	$ -	$ -	$ 538,726	$ 528,589	$ 10,137
	Lapse/(Encumbrance)						$ 10,137

Department of Seniors
Schedule to Financial Statements
Lapse/Encumbrance

Year ended March 31, 2015
(in thousands)

Schedule 4
(Cont'd)

		Voted Estimate [1]	Supplementary Estimate [2]	Adjustments [3]	Adjusted Voted Estimate	Voted Actuals [4]	Unexpended (Over Expended)
Program - Capital							
5	**Affordable Supportive Living Initiative**						
5.1	Support Services	$ 50,000	$ -	$ (15,000)	$ 35,000	$ 10,541	$ 24,459
6	**2013 Alberta Flooding**						
6.1	Southern Alberta Flooding 2013	-	4,800	(480)	4,320	4,455	(135)
	Total	$ 50,000	$ 4,800	$ (15,480)	$ 39,320	$ 14,996	$ 24,324
	Lapse/(Encumbrance)						$ 24,324
Financial Transactions							
2	**Seniors Services**						
2.4	Property Tax Deferral Disbursements	$ 20,500	$ -	$ -	$ 20,500	$ 5,012	$ 15,488
	Lapse/(Encumbrance)	$ 20,500	$ -	$ -	$ 20,500	$ 5,012	$ 15,488
							$ 15,488

[1] As per "Operational Vote by Program" and "Voted Capital Vote by Program" of 2014-15 Government Estimates.

[2] Per the Supplementary Supply Estimates approved by Treasury Board on March 3, 2015, $4.8 million was transferred from the Department of Municipal Affairs for 2013 Alberta flood recovery assistance to the High River Seniors Lodge.

[3] Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis,, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.

[4] Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Department of Seniors
Schedule to Financial Statements
Salary and Benefits Disclosure

Schedule 5

Year ended March 31, 2015
(in dollars)

	2015				2014
	Base Salary[1]	Other Cash Benefits[2]	Other Non-Cash Benefits[3]	Total	Total
Department					
Deputy Minister[4]	$150,547		$ 34,444	$184,991	$ -
Executives					
Assistant Deputy Minister, Housing[5]	195,980		46,801	242,781	250,691
Assistant Deputy Minister, Seniors[6]	171,627		43,868	215,495	185,110
Assistant Deputy Minister, Strategic Services[4]	105,536		27,417	132,953	-
Executive Director, Communications[4]	55,105		15,393	70,498	-
Executive Director, Human Resources[4]	78,995		22,616	101,611	-
Executive Director, Financial Services[7]	155,151	23,874	41,883	220,908	192,834

[1] Base salary includes regular salary and earnings such as acting pay.

[2] Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2015.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

[4] Positions created on September 15, 2014.

[5] The incumbent's services are transferred from the Department of Municipal Affairs. Full salary and benefits are disclosed in this Schedule.

[6] The incumbent's services are transferred from the Department of Health. Full salary and benefits are disclosed in this Schedule.

[7] The incumbent's services are transferred from the former Department of Tourism, Parks and Recreation. Full salary and benefits are disclosed in this Schedule.

Department of Seniors
Schedule to Financial Statements
Related Party Transactions

Schedule 6

Year ended March 31, 2015
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the department.

The department and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2015	2014	2015	2014
Expenses - Directly Incurred				
Grants	$ 139,305	$ 128,032	$ -	$ -
Business and Technology Services	-	-	614	828
	$ 139,305	$ 128,032	$ 614	$ 828
Receivables from				
Alberta Health	$ -	$ -	$ 99	$ -
Contractual Obligations	-	-	-	1,490
	$ -	$ -	$ 99	$ 1,490
Payables to				
Alberta Social Housing Corporation	$ -	$ 14,002	$ -	$ -
Alberta Health Services	-	-	22	-
Post Secondary Institutions	-	-	35	-
	$ -	$ 14,002	$ 57	$ -

Department of Seniors
Schedule to Financial Statements
Related Party Transactions

Schedule 6
(Cont'd)

Year ended March 31, 2015
(in thousands)

The department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	Other Entities	
	2015	2014
Expenses - Incurred by Others (Schedule 7)		
Accommodation	$ 2,051	$ 1,774
Business Services[1]	790	325
Legal	211	284
	$ 3,052	$ 2,383

[1] Business Services includes financial and administrative services and air transportation costs.

Department of Seniors
Schedule to Financial Statements
Allocated Costs

Schedule 7

Year ended March 31, 2015
(in thousands)

Program	2015 Expenses[1]	2015 Expenses - Incurred by Others: Accommodation Costs[2]	2015 Expenses - Incurred by Others: Legal Services[3]	2015 Expenses - Incurred by Others: Business Services[4]	2015 Total Expenses	2014 Total Expenses
Ministry Support Services	$ 5,914	$ 375	$ 137	$ 9	$ 6,435	$ 6,463
Seniors Services	36,789	711	-	53	37,553	33,796
Alberta Seniors Benefit	338,384	763	-	491	339,638	328,904
Housing	148,601	150	74	215	149,040	137,430
Alberta Supportive Living Initiative	10,758	52	-	16	10,826	20,858
2013 Alberta Flooding	4,465	-	-	6	4,471	-
	$ 544,911	$ 2,051	$ 211	$ 790	$ 547,963	$ 527,451

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Cost shown for Accommodation on Schedule 6, allocated by number of employees.

(3) Costs shown for Legal Services on Schedule 6, allocated by costs in certain programs.

(4) Costs shown for Business Services include charges for IT support, vehicles, internal audit services and other services on Schedule 6, allocated by estimated costs incurred by each program.

Alberta Social Housing Corporation
Financial Statements

Alberta Social Housing Corporation
Financial Statements
March 31, 2015

Independent Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Cash Flows
Notes to the Financial Statements
Schedules to the Financial Statements:

1 Revenues
2 Expenses - Directly Incurred Detailed by Object
3 Budget Reconciliation
4 Capital Spending
5 Related Party Transactions
6 Allocated Costs

Supplementary Information to Financial Statements (Unaudited)

Independent Auditor's Report

To the Minister of Seniors

Report on the Financial Statements

I have audited the accompanying financial statements of the Alberta Social Housing Corporation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alberta Social Housing Corporation as at March 31, 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

June 1, 2015

Edmonton, Alberta

Alberta Social Housing Corporation
Statement of Operations

Year ended March 31, 2015

	2015 Budget (Schedule 3)	2015 Actual	2014 Actual
		(in thousands)	
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	$ 131,905	$ 139,305	$ 128,032
Federal Government Grants (Note 15)	92,840	75,945	75,003
Investment Income	1,600	2,114	3,129
Other Revenue	10,219	13,127	13,416
	236,564	230,491	219,580
Expenses - Directly Incurred (Note 2(b) and 6, Schedules 2 and 6)			
Programs			
Family Housing			
Rent Supplement	64,800	65,625	64,045
Community Housing	58,236	77,289	57,891
Other Housing	70	81	123
Seniors Housing	63,639	76,228	63,376
Special Needs Housing	5,992	5,383	5,543
Emergency Housing (Note 4)	1,438	6,099	2,635
Debt Servicing	10,343	10,342	12,289
	204,518	241,047	205,902
Annual operating surplus (deficit)	$ 32,046	$ (10,556)	$ 13,678

The accompanying notes and schedules are part of these financial statements.

Alberta Social Housing Corporation
Statement of Financial Position
As at March 31, 2015

	2015	2014 (Restated - Note 3)
	(in thousands)	
Assets		
Cash and Cash Equivalents (Note 5)	$ 213,751	$ 273,556
Accounts Receivable (Note 6)	82,448	108,484
Inventories (Note 7)	1,903	-
Loans and Advances (Note 8)	27,484	22,409
Tangible Capital Assets (Note 9)	659,514	636,144
	$ 985,100	$ 1,040,593
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	$ 25,309	$ 56,180
Deferred Revenue (Note 11)	60,008	40,075
Debentures and Notes Payable (Note 12)	110,049	142,427
	$ 195,366	$ 238,682
Net Assets		
Net Assets as adjusted at Beginning of Year	$ 801,911	$ 765,937
Adjustments to net assets (Schedule 5)	(1,621)	22,296
Annual Operating Surplus (Deficit)	(10,556)	13,678
Net Assets at End of Year	$ 789,734	$ 801,911
	$ 985,100	$ 1,040,593

Contingent Liabilities and Contractual Obligations (Notes 13 and 14)

The accompanying notes and schedules are part of these financial statements.

Alberta Social Housing Corporation
Statement of Cash Flows

Year ended March 31, 2015

	2015	2014
	(in thousands)	
Operating Transactions		
Annual Operating Surplus (Deficit)	$ (10,556)	$ 13,678
Non-cash items:		
Amortization of Tangible Capital Assets (Note 9)	32,103	25,833
Grants in Kind (Note 2b and 9e)	14,412	-
Capital Contributions in Kind (Note 9d)	(1,417)	-
Gains on Disposal of Tangible Capital Assets	(961)	(2,362)
Losses on Disposal of Tangible Capital Assets	12,854	915
	46,435	38,064
(Increase) Decrease in Accounts Receivable	26,036	(58,263)
Increase in Inventories	(1,903)	-
Increase in Loans and Advances	(5,075)	(964)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(30,871)	37,292
Increase in Deferred Revenue	19,933	20,075
Cash Provided by Operating Transactions	54,555	36,204
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 4)	(88,382)	(25,915)
Proceeds on Disposal/Sale of Tangible Capital Assets	6,400	2,691
Cash Applied to Capital Transactions	(81,982)	(23,224)
Financing Transactions		
Repayment of Debentures and Notes Payable	(32,378)	(30,463)
Cash Applied to Financing Transactions	(32,378)	(30,463)
Increase (Decrease) in Cash and Cash Equivalents	(59,805)	(17,483)
Cash and Cash Equivalents at Beginning of Year	273,556	291,039
Cash and Cash Equivalents at End of Year	$ 213,751	$ 273,556

The accompanying notes and schedules are part of these financial statements.

Alberta Social Housing Corporation
Notes to the Financial Statements
March 31, 2015

NOTE 1 AUTHORITY AND PURPOSE

The Alberta Social Housing Corporation (the Corporation) operates under the authority of the Alberta Housing Act, Chapter A-25, Revised Statutes of Alberta 2000. The Act is administered by the Department of Seniors.

The Corporation's primary purpose is to facilitate the provision of affordable housing options through community based housing organizations to low-income seniors, families, individuals and those with special needs. The Corporation owns and administers the Crown's portfolio of housing assets and manages provincial debts and agreements associated with those assets. This includes administering the sale of provincially owned properties that are no longer efficient or effective for social housing programs. The Corporation also oversees the provincial commitments and entitlements remaining from discontinued business activities such as mortgages and loan guarantees.

The Corporation is a crown agent of the Government of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Seniors and for which the Minister of Seniors is accountable. The other entity reporting to the Minister is the Department of Seniors. The activities of the Department are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue
All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government transfers
Transfers from the Government of Alberta and federal government are referred to as government transfers.

Government of Alberta transfers are recognized as revenue when authorized.

Federal government transfers provided to support several operating programs of the Corporation are recognized as revenue when authorized and as eligibility criteria are met. The federal government also provides up front funding to the Corporation for certain approved housing initiatives which is initially recorded as a liability. Revenue is recognized as the Corporation has met eligibility requirements. Restricted capital contributions are recognized as deferred revenue when eligibility criteria are met and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Corporation has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- amortization of tangible capital assets,
- debt servicing costs, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value.

Grant Expense

Grants are recognized as expenses when authorized, eligibility criteria if any are met and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Corporation's operations are not recognized and are disclosed in Schedule 5 and allocated to programs in Schedule 6.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Corporation are limited to financial claims, such as advances to and receivables from other organizations and individuals, as well as inventories held for resale.

There were no assets acquired by rights for the Corporation.

Inventory held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Loans and advances are recorded at cost less provisions for estimated losses. Cost includes amounts advanced, accrued interest and other charges, less repayments and subsidies. Loans and advances include mortgages and advances to housing providers to address short term cash flow needs for specified projects and operating pressures.

Tangible capital assets of the Corporation are recorded at historical cost and, except for land, are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000. All land is capitalized.

Contributed tangible capital assets are recorded at their fair value at the time of contribution.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Assets (Cont'd)
Amortization is only charged if the tangible capital asset is in use.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in kind.

Liabilities
Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets
Net Assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities
Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability. The fair value of long term debt is disclosed in Note 12.

Financial Instruments
Financial instruments consist of Cash and Cash Equivalents, Accounts Receivable, Loans and Advances, Accounts Payable and Accrued Liabilities, and Debentures and Notes Payable. They are initially recognized at cost and subsequently carried at amortized cost. Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no reasonable expectation of recovery. The Corporation does not own any derivatives, portfolio investments or other financial instruments designated in the fair value category and as such has not included a Statement of Remeasurement Gains and Losses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Risk Management
The Corporation has minimal exposure to credit risk, liquidity risk and interest rate risk due to the nature of its operations. The primary creditors of the Corporation are the Government of Alberta and the federal government. Both governments provide operational support to the Corporation, thus reducing exposure to credit risk. Liquidity risk is minimized given the cash and cash equivalent balance within the Corporation and the annual operational funding provided by the Department of Seniors for debt repayment. As interest rates on Debentures and Notes Payable are fixed, the Corporation is not exposed to interest rate fluctuation risk because the future cash flows of the debt will not fluctuate with future market interest rate change.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Estimates relating to the determination of the Housing Management Bodies accounts receivable recorded and disclosed as $10,894 (2014 - $7,392) in these financial statements, is subject to measurement uncertainty as this balance is recorded based on budgeted figures which may not reflect actual audited amounts.

(c) Future Accounting Changes

In March 2015 the Public Sector Accounting Board issued PS 2200 – Related party disclosures and PS 3420 – Inter-entity transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017.

- PS 2200 – Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.

- PS 3420 – Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Management does not expect the implementation of these standards to have a significant impact on the financial statements.

NOTE 3 GOVERNMENT REORGANIZATION
(in thousands)

The Parsons Creek program for Land Development Program Delivery and Assistance to Alberta Social Housing Corporation for Land Development was transferred to the Ministry of Infrastructure as a result of restructuring of government ministries announced on October 12, 2011. As part of this transfer, 41 acres of land in Parsons Creek would be transferred at a future date to the Alberta Social Housing Corporation from the Ministry of Infrastructure for the purpose of affordable housing. Some of this land has been transferred to the Alberta Social Housing Corporation in 2014-15. This transaction has been treated as a continuation of the original government reorganization. Therefore, comparatives for 2013-14 have been restated as if the Ministry of Infrastructure had transferred the land at the time of the original government reorganization.

Net Assets as previously reported	$ 765,937
Transfer from the Ministry of Infrastructure	22,296
Net Assets as at March 31, 2013	$ 788,233

NOTE 4 2013 ALBERTA FLOODING
(in thousands)

The full recovery from the June 2013 flood in southern Alberta will take a number of years. During 2013-14, the Corporation was assigned responsibility as part of the Government of Alberta's flood response to provide emergency and interim housing for those Albertans displaced by the Southern Alberta flood incident. The Corporation also provided direct support to Housing Management Bodies whose residents were displaced and buildings were impacted by the flood. In addition, the Corporation was asked by the Department of Aboriginal Relations to assist with not only the provision of emergency and interim housing, but the inspections, repairs and rebuilds of homes on Siksika and Stoney Nakoda First Nations. The costs incurred by the Corporation in response to the flood have been fully offset by the Government of Alberta through the departments of Municipal Affairs, Aboriginal Relations and Seniors which will reflect the costs. Neither the flood costs incurred by the Corporation during the year or the reimbursement are reflected in these financial statements. The amounts incurred total $180,005 (2014 - $176,971). However, funds due to or payable from the Corporation reflect flood related amounts and are included in these statements. These amounts are disclosed in Note 6 and 10, respectively.

NOTE 5 CASH AND CASH EQUIVALENTS

Cash includes deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short term securities with a maximum term to maturity of three years. As at March 31, 2015, securities held by the fund have a time-weighted return of 1.2% per annum (2014: 1.2% per annum). Due to the short term nature of CCITF investments, the carrying value approximates fair value.

NOTE 6 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2015			2014
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Aboriginal Relations[a]	$ -	$ -	$ -	$ 31,526
Department of Municipal Affairs[a]	-	-	-	14,002
Canada Mortgage and Housing Corporation	62,933	-	62,933	43,968
Housing Providers	10,894	-	10,894	7,392
Alberta Risk Management Fund[a]	6,706	-	6,706	7,737
Other	1,944	(29)	1,915	3,859
	$ 82,477	$ (29)	$ 82,448	$ 108,484

(a) Costs incurred by the Corporation in response to the June 2013 Southern Alberta flood, have been fully offset through the departments of Municipal Affairs, Aboriginal Relations and Seniors and the Alberta Risk Management Fund. Flood related funds due to the Corporation totalling $765 (2014 - $46,315) is comprised of $0 (2014 - $31,526) from the Department of Aboriginal Relations, $0 (2014 - $14,002) from the Department of Municipal Affairs and $765 (2014 - $787) from the Alberta Risk Management Fund.

NOTE 7 INVENTORIES

(in thousands)

Inventory held for resale relate to 30 manufactured housing units that were purchased to be sold at cost at a future date to the Siksika First Nation as part of the Southern Alberta Flooding recovery efforts.

	2015	2014
Manufactured housing units inventory	$ 1,903	$ -

NOTE 8 LOANS AND ADVANCES

(in thousands)

	2015			2014
	Gross Amount	Allowance for Losses	Net Realizable Value	Net Realizable Value
Rural and Native [a]	$ 218	$ -	$ 218	$ 516
Housing Providers' Reserves [b]	5,127	-	5,127	5,127
Rent Supplement [c]	14,327	-	14,327	14,327
Southern Alberta Flooding [d]	2,878	-	2,878	1,240
Other Loans and Advances	4,934	-	4,934	1,199
	$ 27,484	$ -	$ 27,484	$ 22,409

(a) Mortgages receivable provided under the Rural and Native Housing program are repayable over an amortization period of 25 years with a five-year interest renewal term.

(b) Housing Providers are provided an advance based on the number of housing units under management in order to address short term operating cash flow requirements during the year. These cash advances can be collected at any time at the discretion of the Minister. These funds are required to be replenished by the Housing Providers.

(c) Housing Management Bodies are provided an advance for approximately two months of anticipated annual operational funding requirements to administer the Rent Supplement Program. These cash advances can be collected at any time at the discretion of the Minister. These cash advances are replenished as monthly claims are processed.

(d) Cash advances were provided to Housing Management Bodies and organizations as a result of the Southern Alberta Flooding incident to help manage flood disaster relief and rebuild and address cash flow needs.

NOTE 9 TANGIBLE CAPITAL ASSETS
(in thousands)

	Land	Buildings[a]	Computer Hardware and Software	Other[b]	Total
Estimated Useful Life	Indefinite	10-50 years	3 years	10 years	
Historical Cost[c]					
Beginning of Year	$ 137,549	$ 1,146,917	$ 8,723	$ 22,539	$ 1,315,728
Additions[d] (Schedule 4)	16,124	65,089	5,635	2,951	89,799
Disposals, Including Write-downs[e]	(13,266)	(2,063)	(10,643)	(12,673)	(38,645)
	$ 140,407	$ 1,209,943	$ 3,715	$ 12,817	$ 1,366,882
Accumulated Amortization					
Beginning of Year	-	673,961	-	5,623	679,584
Amortization Expense	-	29,850	39	2,214	32,103
Effect of Disposals	-	(1,077)	-	(3,242)	(4,319)
	-	702,734	39	4,595	707,368
Net Book Value at March 31, 2015	$ 140,407	$ 507,209	$ 3,676	$ 8,222	$ 659,514
Net Book Value at March 31, 2014	$ 137,549	$ 472,956	$ 8,723	$ 16,916	$ 636,144

(a) Seniors and special needs buildings are amortized over 50 years, community housing buildings over 40 to 50 years, and all other buildings over 10 to 25 years.

(b) Other tangible capital assets include manufactured housing units and trailers.

(c) Historical cost includes work-in-progress at March 31, 2015 totalling $53,562 comprised of: buildings $53,562 (2014 - $23,544); and computer hardware and software $0 (2014 - $8,723).

(d) Land additions totalling $16,124 is comprised of:

(i) $13,158 is related to the purchase of the Willow Square land in Fort McMurray to be transferred to the Wood Buffalo Housing and Development Corporation for development to provide new affordable housing options to seniors and lower-income residents in the community.

(ii) $1,549 is related to the purchase of the Coal Plaza Apartment building as part of recovery efforts for the Southern Alberta Flooding and the ongoing need for affordable housing in the Town of High River.

(iii) $1,417 is related to land donated to the Corporation from the City of Fort Saskatchewan for the new Dr. Turner Lodge for seniors housing.

NOTE 9 TANGIBLE CAPITAL ASSETS (Cont'd)
(in thousands)

(e) Disposals include three nominal sum disposals totalling $14,412 is comprised of:

(i) $13,158 for the transfer of Willow Square land to the Wood Buffalo Housing and Development Corporation for development to provide new affordable housing options for seniors and lower-income residents in the community.

(ii) $1,182 to provide trailers to the Lubicon Lake Band due to an emergent housing crisis in the community.

(iii) $72 for the transfer of land to Habitat for Humanity to enable construction of single family home ownership units for lower income working families in the community.

Disposals include $1,621 related to the transfer of housing units to Alberta Education to address the need for teachers housing for Northland School District.

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	2015	2014
Alberta Infrastructure	$ 45	$ 55
Alberta Risk Management Fund	718	538
Alberta Treasury Board and Finance	5,165	190
Canada Mortgage and Housing Corporation	1,478	2,577
Housing Providers	7,849	3,642
Other[a]	10,054	49,178
	$ 25,309	$ 56,180

(a) $1,186 (2014 - $46,320) are flood related payables for the provision of interim housing and repairs and rebuilds of homes.

NOTE 11 DEFERRED REVENUE

(in thousands)

	2015	2014
Balance, beginning of year	$ 40,075	$ 20,000
Add: Unearned revenue received during year [(a)]	30	15
Add: Deferred capital contributions receivable during year [(b)]	19,930	20,060
Less: Unearned revenue recognized as revenue	(27)	-
Balance, end of year	$ 60,008	$ 40,075

(a) Revenues have been received during the year for seniors housing lease rentals and directly managed land rentals where a portion of the payments due to timing have not been recognized as revenue.

(b) Federal funding has been committed to improving and preserving the quality of Affordable Housing under the Canada-Alberta Agreement for Investment in Affordable Housing with Canada Mortgage and Housing Corporation (CMHC). No capital contributions have been spent or recognized as revenue as projects are still under development and not completed.

NOTE 12 DEBENTURES AND NOTES PAYABLE

(in thousands)

The Corporation's long term debt and exposure to interest rate risk are summarized as follows:

	2015	2014
Canada Mortgage and Housing Corporation [a]	$ 61,944	$ 64,516
Alberta Treasury Board and Finance [b]	48,105	77,911
	$ 110,049	$ 142,427

(a) Debentures maturing January 2023 to January 2030, with a weighted average effective rate of 9.676%.

(b) Note payable maturing September 16, 2016, with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings. The debentures, including interest thereon, are repayable in equal annual or semi-annual instalments and the note payable is repayable in equal semi-annual instalments.

Approximate aggregate repayments of principal in each of the next five years are:

2016	$ 34,415
2017	19,588
2018	3,375
2019	3,696
2020	4,047
Thereafter	44,928
	$ 110,049

Long term debt has a fair value of $91,797 (2014 - $90,856) for Canada Mortgage and Housing Corporation debentures and $50,507 (2014 - $83,154) for the note payable to Alberta Treasury Board and Finance. Fair values for debt are based on the Province of Alberta's current borrowing rates which are available to the Corporation for debt with similar terms and maturities.

NOTE 13 CONTINGENT LIABILITIES

(in thousands)

The Corporation is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

The Corporation has been named in zero (2014: two) claims of which the outcome is not determinable. Of these claims, zero (2014: two) have specified amounts totalling $0 (2014: $313). Included in the total claims, zero claims totalling $0 (2014: two claims totalling $313) are covered in whole or in part by the Alberta Risk Management Fund.

The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

NOTE 14 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met. Grants for housing providers approved for future years have been included as a program obligation.

	2015	2014
Obligations under Operating Leases, Contracts and Programs[a]	$ 206,309	$ 226,091
Obligations under Capital Contracts and Programs	51,047	40,069
	$ 257,356	$ 266,160

(a) Obligations for Southern Alberta Flooding contracts are excluded as they have been set up as accrued liabilities in the departments of Municipal Affairs and Aboriginal Relations. Comparatives for 2014 have been restated to remove obligations for Southern Alberta Flooding contracts.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Operating Contracts and Programs[b]	Operating Leases[c]	Total
2015-16	$ 20,674	$ 1,347	$ 22,021
2016-17	18,826	1,347	20,173
2017-18	18,791	1,347	20,138
2018-19	18,721	1,347	20,068
2019-20	18,527	1,347	19,874
Thereafter	77,432	26,603	104,035
	$ 172,971	$ 33,338	$ 206,309

(b) Grants committed for future years under agreement with Housing Providers that would fund operating supports and amortization costs.

(c) The Corporation leases land under various leases for the purpose of providing social housing.

Obligations Under Capital Contracts and Programs[d]

	Total
2015-16	$ 45,676
2016-17	2,726
2017-18	883
2018-19	881
2019-20	881
Thereafter	-
	$ 51,047

(d) These capital contracts are made up of the Corporation's development projects and capital asset maintenance.

NOTE 15 PROGRAM RECOVERIES

Canada Mortgage and Housing Corporation (CMHC) provides contributions toward subsidies of rental properties and mortgages receivable and for certain capital costs, the administration expenses and net operating results of approved community housing projects through cost-sharing agreements. CMHC also provides contributions for net operating results of approved community, special needs and seniors housing and rent supplement projects.

NOTE 16 SALARIES AND BENEFITS

The Corporation has no salaries or benefits to disclose due to the Corporation having no employees as per 25(2) of the Alberta Housing Act. The Department of Seniors staff administers the Corporation, and the estimated value of these services is services is included in Schedules 5 and 6 as an expense incurred by others.

The Corporation did not pay honoraria to its board members.

NOTE 17 COMPARATIVE FIGURES

Certain 2014 figures have been reclassified to conform to the 2015 presentation.

NOTE 18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer of the Department of Seniors and the President of the Alberta Social Housing Corporation.

Alberta Social Housing Corporation
Schedule to Financial Statements
Revenues

Schedule 1

Year ended March 31, 2015

	2015 Budget (Schedule 3)	2015 Actual	2014 Actual
		(in thousands)	
Government of Alberta Grants			
Transfers from the Department of Seniors			
Rent Supplement	$ 52,800	$ 52,800	$ 52,500
Seniors Lodges	35,720	41,720	35,720
Debt Repayment	32,377	32,377	30,463
Housing Providers	8,856	10,256	7,569
Special Needs Housing	2,152	2,152	1,780
	131,905	139,305	128,032
Federal Government Grants			
Recoveries from Canada Mortgage and Housing Corporation (Note 15)			
Cost Shared Programs - Operating	57,000	59,772	59,554
Cost Shared Programs - Capital	20,190	-	-
Rent Supplement	12,000	12,900	12,144
Special Needs Housing	3,650	3,273	3,305
	92,840	75,945	75,003
Investment Income	1,600	2,114	3,129
Other Revenue			
Gains from Disposal of Tangible Capital Assets	2,340	961	2,362
Recoveries from Housing Providers	7,784	6,715	5,130
Rental Revenues	95	313	1,000
Contribution from Housing Providers and Third Parties (Note 9d)	-	1,417	-
Refunds of Expenditures	-	3,587	4,921
Miscellaneous	-	134	3
	10,219	13,127	13,416
Total Revenues	$ 236,564	$ 230,491	$ 219,580

Alberta Social Housing Corporation
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object

Schedule 2

Year ended March 31, 2015

	2015		2014
	Budget (Schedule 3)	Actual	Actual
	(in thousands)		
Supplies and Services	$ 6,049	$ 7,138	$ 7,613
Grants	160,214	178,610	159,244
Debt Servicing Costs	10,343	10,342	12,289
Amortization of Tangible Capital Assets	27,912	32,103	25,833
Other	-	12,854	923
	$ 204,518	$ 241,047	$ 205,902

Alberta Social Housing Corporation
Schedule to Financial Statements
Budget Reconciliation

Schedule 3

Year ended March 31, 2015

	Original 2014-15 Budget	Adjustments to Conform to Accounting Policy	2014-15 Budget
		(in thousands)	
Revenues			
Government Transfers			
Government of Alberta Grants	$ 131,905	$ -	$ 131,905
Federal Government Grants[a]	72,650	20,190	92,840
Investment Income	1,600	-	1,600
Other Revenue	10,219	-	10,219
	216,374	20,190	236,564
Expenses - Directly Incurred			
Programs			
Family Housing			
Rent Supplement	64,800	-	64,800
Community Housing	58,236	-	58,236
Other Housing	70	-	70
Seniors Housing	63,639	-	63,639
Special Needs Housing[b]	5,802	190	5,992
Emergency Housing	1,438	-	1,438
Debt Servicing	10,343	-	10,343
	204,328	190	204,518
Annual operating surplus	$ 12,046	$ 20,000	$ 32,046
Capital Spending	$ 137,190	$ (190)	$ 137,000
Financial Transactions	$ -	$ -	$ -

Accounting Adjustments are in accordance with Public Sector Accounting Standards and include:

I. Adjustments for Revenues:

(a) Capital revenues relate to funds from Canada Mortgage and Housing Corporation in the amount of $20,190 under the Canada-Alberta Agreement for Investment in Affordable Housing shown under "Capital Plan Revenue" in the 2014-15 Government Estimates.

II. Adjustments for Expenses:

(b) Operating expense included in "Capital Plan Spending" (capital grants) in the amount of $190 related to funds from Canada Mortgage and Housing Corporation under the Canada-Alberta Agreement for Investment in Affordable Housing. Under Section 8.1 of the Agreement, there is a requirement to allocate at least $130 in funding for victims of family violence.

Alberta Social Housing Corporation
Schedule to Financial Statements
Capital Spending

Schedule 4

Year ended March 31, 2015

	Original 2014-15 Budget	2014-15 Actual	2013-14 Actual
		(in thousands)	
Capital Spending			
Family Housing	$ 29,767	$ 20,403	$ 4,763
Seniors Housing	107,233	50,313	21,152
Special Needs Housing	-	15	-
Emergency Housing	-	17,651	-
Total	$ 137,000	$ 88,382	$ 25,915

Alberta Social Housing Corporation
Schedule to Financial Statements
Related Party Transactions

Schedule 5

Year ended March 31, 2015
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the Department of Seniors.

The Corporation paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2015	2014	2015	2014 (Restated - Note 3)
Revenues				
Government of Alberta Transfers	$ 139,305	$ 128,032	$ -	$ -
Rental Revenues	-	-	51	101
	$ 139,305	$ 128,032	$ 51	$ 101
Expenses - Directly Incurred				
Alberta Risk Management Fund	$ -	$ -	$ 5,566	$ 5,360
Debt Servicing Costs	-	-	4,166	5,885
	$ -	$ -	$ 9,732	$ 11,245
Tangible Capital Assets Transferred In (Out)				
Alberta Infrastructure [1]	$ -	$ -	$ -	$ 22,296
Alberta Education [2]	-	-	(1,621)	-
	$ -	$ -	$ (1,621)	$ 22,296
Receivable from				
Alberta Risk Management Fund [3][4]	$ -	$ -	$ 6,706	$ 7,737
Alberta Treasury Board and Finance	-	-	31	84
Department of Municipal Affairs [4]	-	-	-	14,002
Department of Aboriginal Relations [4]	-	-	-	31,526
	$ -	$ -	$ 6,737	$ 53,349
Payable to				
Alberta Treasury Board and Finance [5]	$ -	$ -	$ 53,269	$ 78,101
Alberta Risk Management Fund	-	-	718	538
Department of Municipal Affairs	-	-	185	-
Alberta Infrastructure	-	-	45	55
	$ -	$ -	$ 54,217	$ 78,694

Alberta Social Housing Corporation
Schedule to Financial Statements
Related Party Transactions

Schedule 5
(Cont'd)

Year ended March 31, 2015
(in thousands)

(1) This amount is for the transfer of Parsons Creek lands from the Ministry of Infrastructure to the Corporation with the lands being intended for affordable housing.

(2) This amount is for the transfer of housing units to Alberta Education to address the need for teachers housing for Northland School District.

(3) $5,941 (2014: $6,950) of amounts due to the Corporation from the Alberta Risk Management Fund are for property insurance claims while the remaining $765 (2014 - $787) are flood related funds.

(4) Flood related funds due to the Corporation totalling $765 (2014 - $46,315) is comprised of $0 (2014 - $31,526) from the Department of Aboriginal Relations, $0 (2014 - $14,002) from the Department of Municipal Affairs, and $765 (2014 - $787) from the Alberta Risk Management Fund.

(5) Amount primarily represents principal repayments and interest on debt.

The Corporation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 6.

	Entities in the Ministry		Other Entities	
	2015	2014	2015	2014
Expenses - Incurred by Others				
Salaries and wages	$ 7,197	$ 7,142	$ -	$ -
Supplies and services	831	881	-	-
Accommodation	-	-	1,350	657
Legal	-	-	19	41
	$ 8,028	$ 8,023	$ 1,369	$ 698

Alberta Social Housing Corporation
Schedule to Financial Statements
Allocated Costs

Schedule 6

Year ended March 31, 2015
(in thousands)

Program	2015						2014
	Expenses - Directly Incurred[1]		Expenses - Incurred by others[2]				
	Expenses	Debt Servicing Costs	Other Services[3]	Accommodation Costs[4]	Legal Services[5]	Total Expenses	Total Expenses
Rent Supplement	$ 65,625	$ -	$ 32	$ 5	$ 5	$ 65,667	$ 64,108
Community Housing	77,289	5,667	2,257	380	7	85,600	66,788
Other Housing	81	-	58	10	-	149	206
Seniors Housing	76,228	4,673	5,333	897	6	87,137	75,224
Special Needs Housing	5,383	2	348	58	-	5,791	5,661
Emergency Housing	6,099	-	-	-	1	6,100	2,636
	$ 230,705	$ 10,342	$ 8,028	$ 1,350	$ 19	$ 250,444	$ 214,623

[1] Expenses - Directly Incurred as per Statement of Operations.

[2] Costs shown for Expenses - Directly Incurred by Others are as disclosed in Schedule 5.

[3] Other Services includes salaries and wages, and supplies and services.

[4] Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5, allocated by number of Department of Seniors staff that administers the Corporation.

[5] Costs shown for Legal Services on Schedule 5, allocated by estimated costs incurred by each program.

Alberta Social Housing Corporation
Supplementary Information to Financial Statements
(Unaudited)

March 31, 2015
(in thousands)

The following unaudited supplementary information is intended to provide additional information to financial readers regarding the provision of seniors' self-contained and community housing programs through housing providers. The Corporation establishes budgets for each provider.

Grants are provided to cover operating support for various housing programs and are recorded as expenses. Recoveries are received from housing providers who operate with surpluses and are recorded as revenues. Costs for property insurance, amortization and interest on long term debt are incurred and recorded directly in the financial statements of the Corporation.

The housing providers' fiscal year is January to December. Their annual budgets are approved by the President of the Corporation.

The total budgeted rental revenues collected by housing providers for their 2014 fiscal year was $132,039 (2013 - $127,668). The total budgeted operating expenses for housing providers for the 2014 fiscal year is as follows:

	2014	2013
Expenses:		
Administration	$ 31,650	$ 30,675
Operating Expenses	37,378	33,488
Property Taxes	20,601	19,017
Repairs and Maintenance	34,420	35,854
Utilities	50,369	46,981
	$ 174,418	$ 166,015

Annual Report Extracts and Other Statutory Reports

Section 32(1) of Alberta's *Public Interest Disclosure (Whistleblower Protection) Act* requires that a report must be prepared annually on all disclosures under the Act for each department, public entity or office of the Legislature.

The Public Interest Disclosure Office provided the following report to the Deputy Minister of Seniors on April 9, 2015.

Summary of Public Interest Disclosure Activities for the Ministry of Seniors for the Period April 1, 2014 to March 31, 2015	
Number of inquiries	0
Number of disclosures of wrongdoing	0
Number of investigations	0
Reports written	0